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REPORTS

BY

HIS MAJESTY'S AGENT AND CONSUL-GENERAL

ON THE

FINANCES, ADMINISTRATION, AND CONDITION

OF

EGYPT AND THE SOUDAN

IN

1901.

By 211.34

Presented to both Houses of Parliament by Command of His Majesty.
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Reports by His Majesty's Agent and Consul-General on the Finances, Administration, and Condition of Egypt and the Soudan in 1901.

No. 1.

The Earl of Cromer to the Marquess of Lansdowne.—(*Received March* 3.)

My Lord, *Cairo, February* 21, 1902.

I HAVE the honour to submit my Report on the progress made in the various Administrative Departments of the Egyptian Government during the year 1901.

The affairs of the Soudan are treated in a separate despatch.

Accounts for 1901.

The estimates for the year 1901 were as follows:—

	£ E.*
Revenue	10,700,000†
Expenditure	10,636,000
Surplus	64,000

The accounts show, in round numbers, the following results:—

	£ E.
Revenue	12,160,000†
Expenditure	11,396,000
Surplus	764,000

The revenue was, therefore, £ E. 1,460,000 in excess of the estimates.

The excess appears under every head of account. For instance, customs, £ E. 442,000; tobacco, £ E. 221,000; octroi, £ E. 39,000; salt, £ E. 10,000; fisheries, £ E. 12,000; stamps and registration, £ E. 4,000; railways, £ E. 222,000; telegraphs, £ E. 8,000; port of Alexandria, £ E. 37,000; Post Office, £ E. 23,000; light dues, £ E. 18,000; judicial fees, £ E. 187,000; interest, £ E. 31,000; redemption of military service, £ E. 64,000; miscellaneous, £ E. 64,000; and rent of Government lands, £ E. 16,000.

From the figures given above, it would appear as if the expenditure had exceeded the estimates by £ E. 760,000. The increase, however, is mainly due to the fact that, owing to the large excess of revenue over the estimates, the amount paid to the Caisse de la Dette, to be credited to the General Reserve Fund, was larger by £ E. 658,000 than was anticipated. The real excess over the estimates was, therefore, only £ E. 102,000. This is almost wholly accounted for by the excess in the expenditure of the Railway Administration, which shows an increase of £ E. 100,000 over the estimates, due to increased traffic.‡

The net financial result of the year is that the surplus exceeded the estimate b £ E. 700,000.

* £ E. 1 = 1*l.* 0*s.* 6*d.*

† Both the estimates and accounts include, on the revenue side, a grant of about £ E. 216,000 made by the Caisse de la Dette.

‡ See, on this subject, the remarks under the head of "Railways."

I should mention that on the expenditure side of the account the following items appear:—

	£ E.
Conversion economies	265,000
Payment to General Reserve Fund	1,143,000
Total	1,408,000

If from the revenue side of the account is deducted the grant of £ E. 216,000, made by the Caisse de la Dette, and if from the expenditure side of the account is deducted the figure of £ E. 1,408,000, given above, the figures of the past year would stand as follows:—

	£ E.
Revenue	11,944,000
Expenditure	9,988,000*
Surplus	1,956,000

These latter figures represent the true financial position of the Egyptian Treasury. Were it not for the peculiar system imposed by the international obligations of the Egyptian Government, the accounts of last year, after providing for administration, interest on debt, sinking fund to the extent of £ E. 64,000, and Soudan expenditure to the extent of £ E. 417,000, would still show a surplus of little less than £ E. 2,000,000.

General Reserve Fund.

On the 31st December, 1900, a sum of £ E. 3,529,000 stood to the credit of the General Reserve Fund.

During the course of the year £ E. 1,760,000 was paid, under various heads of account, into the fund.

On the other hand, payments from the fund were made to the extent of £ E. 1,494,000. Of this amount £ E. 134,000 was in the nature of advances, which will eventually be repaid.

The net result of these operations is that the balance standing to the credit of the fund on the 31st December, 1901, amounted to £ E. 3,795,000.

Of this amount £ E. 2,839,000 is pledged to expenditure of various sorts, thus leaving an unpledged balance of £ E. 956,000.

Special Reserve Fund.

This fund is, it will be remembered, entirely at the disposal of the Egyptian Government.

On the 31st December, 1900, a sum of £ E. 809,000 stood to the credit of the fund.

During the course of the past year £ E. 765,000 was paid into the fund.

On the other hand, payments amounting to £ E. 287,000 were made from the fund.

The net result of these operations is that, on the 31st December, 1901, a sum of £ E. 1,287,000 stood to the credit of the fund.

Of this amount £ E. 567,000 is pledged to future expenditure, mainly in the Soudan, thus leaving an unpledged balance of £ E. 720,000. I should observe that the money spent on railways, telegraph extension, barracks, &c., in the Soudan, is treated as an advance repayable at some future date.

Conversion Economies.

On the 31st December, 1900, a sum of £ E. 4,002,000, representing the Conversion Economies, had been invested by the Commissioners of the Debt.

The amount invested on the 31st December, 1901, was £ E. 4,485,000.

* In this figure is included a sum of £ E. 64,000, being the sinking fund of the Guaranteed Debt.

The Conversion Economies, therefore, were increased by £ E. 483,000 during the course of the year.

I gather, from comments which I occasionally read in the British press, that some little misapprehension prevails as to the position of the "Caisse de la Dette" in respect to the large funds which they administer. I take, therefore, this opportunity of stating how the case really stands.

Few impartial people would, I conceive, be found to defend the financial system with which the "Caisse de la Dette" is identified. There cannot be a doubt that that system is very defective. The Commission of the Debt was, in fact, created to deal with a condition of affairs which has long since ceased to exist. But I wish to point out that the main defects of the system, such as the arbitrary limit imposed on administrative expenditure, the low restriction placed on the working expenses of the Railway, the impossibility of keeping open a Railway Capital Account, and the accumulation of the Conversion Economies, are organic defects for which the Commissioners of the Debt themselves are in no degree responsible. They have to administer the law as it stands. They are powerless to change it. I wish, moreover, to state that, within the latitude which is allowed to them by law, the Commissioners of the Debt have recently done their utmost to mitigate the evil effects of the system. For some while past, the most friendly relations have existed between the Egyptian Government and the Commissioners.

The principle, on which I always strongly insisted when I was myself a Commissioner, that the interests of the bondholders and those of the Egyptian people are identical, seems to have been more fully recognized than heretofore. Liberal grants have been made from the Reserve Fund for the construction of public works, and, generally, a disposition has been shown to consider any proposals made by the Government in a very friendly and conciliatory spirit.

Whilst on this subject, I may mention that perhaps the feature of the present system which from a financial point of view, is the least capable of any rational defence is that under which the economies resulting from the conversion of the preference stock in 1889–90 are allowed to accumulate in a special fund. I have pointed out on previous occasions that the practical result of this plan is to create a bad form of sinking fund. The Government buys its own stock at a premium, and, to a certain extent, aids in maintaining an artificial price. For the moment, an adventitious circumstance prevents the full effects of the system from being felt.

Some little while ago it was decided, with the consent of the Powers, to issue 1,800,000*l.* of preference stock, the proceeds of which are being employed on railway improvement. Up to the end of 1900 stock to the extent of 996,000*l.* had been issued, but none of this was placed on the market. It was taken up by the Commissioners of the Debt, on account of General Reserve Fund and Conversion Economies investments. When, however, the whole of this stock has been issued, purchases of stock in the open market must, I conceive, be resumed. The Conversion Economies, which, as I have pointed out above, amounted to £ E. 483,000 in 1901, will increase every year. The money accumulates at compound interest. It is easy to foresee that, if the present system is allowed to continue, a situation will eventually be created which will be little short of absurd.

*Egyptian Debt.**

On the 31st December, 1900, the outstanding capital of the Egyptian Debt amounted to 103,710,000*l.*, of which 7,273,000*l.* was held by the Commissioners of the Debt, leaving a balance of 96,437,000*l.* in the hands of the public.

Debt to the extent of 445,000*l.* was paid off during the past year, of which 77,000*l.* was Guaranteed Stock, 268,000*l.* Domains, and 100,000*l.* Daïra.

On the 31st December, 1901, the outstanding capital of the Debt amounted, therefore, to 103,265,000*l.*, of which 8,265,000*l.* was held by the Commissioners of the Debt,† thus leaving a balance of 95,000,000*l.* in the hands of the public.

* The figures dealing with the capital of the Debt are given in sterling, not in Egyptian currency.

† The Commissioners also hold Unified and Preference Stock to the amount of 379,000*l.*, to meet charges for law-suits which, at the time of the Law of Liquidation in 1880, were pending against the Government. It is certain that these claims will eventually be settled for a sum far inferior to that which is held in order to cover them.

I may mention that in 1888, that is to say, prior to the conversion of the Preference Stock, the capital of the Debt amounted to 103,028,000*l.* The whole of this amount was held by the public. The conversion, although it diminished the charge on account of interest, naturally added to the capital. In 1891 the Debt rose to its maximum figure, namely, 106,802,000*l.*, of which 1,193,000*l.* was held by the Commissioners of the Debt, leaving 105,609,000*l.* in the hands of the public. Since that time it has been steadily diminishing. It will be seen that, in spite of a recent issue of 996,000*l.* fresh Preference Stock, the total outstanding capital on the 31st December, 1901, viz., 103,265,000*l.*, is only very slightly (237,000*l.*) in excess of that in 1888, prior to the conversion, viz., 103,028,000*l.* Moreover, if the amount now held by the Commissioners of the Debt, viz, 8,265,000*l.*, be deducted, there has been an absolute reduction of debt, compared to 1888, of no less than 8,028,000*l.*

The charge on account of Interest and Sinking Fund amounted, in 1888, to £ E. 4,251,000. On the 31st December, 1901, it amounted to £ E. 3,850,000 on the total outstanding capital, and to only about £ E. 3,561,000 on the capital in the hands of the public. The real reduction in the interest-charge since 1888 amounts, therefore, to £ E. 690,000 a-year.

Estimates for 1902.

For several years successively, the Egyptian revenue has been considerably in excess of the estimates. Under the special conditions which existed in this country, cautious estimates were not only justifiable but absolutely necessary. As Mr. Gorst has pointed out in his note on the Budget for the current year, it was essential to ascertain by experience whether the growth of revenue was based on any abnormal or precarious conditions, or whether, on the other hand, it was the natural result of an increase in the wealth of the country. More than this, until the value of the irrigation works, which have been in course of construction for some years past, had been thoroughly tested, it was difficult to state with confidence what financial results might be produced by a failure of the ordinary Nile flood. Various circumstances, to which I need not allude in detail, point to the conclusion that a steady and progressive increase of the revenue may now be confidently anticipated. In every direction there are signs that the wealth of the country is growing. The real value of the irrigation works has been attested by the experience of 1899, when, in spite of an exceptionally low Nile, the harvests were abundant. Moreover, the completion of the dams at Assouan and Assiout affords an additional guarantee against drought. Under these circumstances, the caution exercised in framing the estimates during the last few years may, to a certain limited extent, be relaxed. In spite of a remission of taxation to the amount of £ E. 60,000, and of the fact that, as a result of the operations of the cadastral survey, a loss of £ E. 25,000 is anticipated, the revenue of 1902 has been estimated at £ E. 360,000 in excess of that of 1901.

The figures of the Budget are as follows :—

	£ E.
Revenue	11,060,000
Expenditure	10,850,000
Surplus	210,000

I have little doubt that, in spite of the relatively liberal estimate which has been made of the revenue, the surplus of the year will be considerably in excess of the figure given above. On the other hand, it is to be borne in mind that the Egyptian Treasury will shortly have to commence payment of the annuity due for the construction of the Nile reservoirs. This annuity amounts to about £ E. 160,000, but, as I have frequently explained in former Reports, for every 1*l.* added to the administrative expenditure, another 1*l.* has to be paid to the Caisse de la Dette. The additional charge on the Egyptian Treasury will, therefore, amount to the double of £ E. 160,000, that is to say, to £ E. 320,000. That this charge can be met with ease I do not doubt, but the fact that provision has to be made for so large a sum in the near future affords an ample justification for not moving further at present either in the direction of remitting taxes or of increasing expenditure.

In the figure of £ E. 11,060,000, given above as the estimate of revenue for the current year, is included a sum of £ E. 216,000, which, under an arrangement made some years ago in connection with a reduction of the land tax, the Commissioners of the Debt agreed to pay for a term of years from the General Reserve Fund.

On the other hand, the expenditure figure, viz., £ E. 10,850,000, includes the following items:—

	£ E.
Redemption of Debt	66,000
Conversion Economies Fund	265,000
General Reserve Fund	619,000
Total	950,000

Thus, if Egypt were not hampered by the peculiar system of accounts and estimates imposed by its international obligations, the figures of 1902 would stand as follows:—

	£ E
Revenue	10,844,000
Expenditure	9,900,000
Surplus	944,000

It follows that, on estimates which may still be characterized as very cautious, a surplus of nearly a million is, or, perhaps, I should say, ought to be, available either for increasing expenditure or for the relief of taxation.

I proceed to state the principal changes which have been made in connection with the Budget of the current year.

I mentioned in my Report of last year that the navigation dues on the Nile had been abolished. A small fee was, however, levied on all boats moving from one station to another. It only realized a revenue of £ E. 1,200 a-year, and was, without doubt, a source of annoyance to the owners of boats. It has now been abolished.

A few years ago an octroi duty was levied, not only in the towns, but in many of the villages throughout Egypt. It is a bad form of raising revenue. I fully concur in the following remarks, which I quote from Mr. Gorst's note: "The octroi duty," he says, "is levied equally on all articles of consumption, including the necessaries of life, and therefore presses unduly upon the poorest classes of the population. Moreover, there is no tax among those at present existing in this country, where the prevention of fraud and removal of abuses are attended with so much difficulty."

The first step taken in the direction of reform in this matter was to abolish the octroi in the villages. At a subsequent period it was abolished in the small provincial towns. It has now been decided to abolish it in the eleven provincial towns in which, until recently, this duty was still levied. This measure involves a loss of gross revenue to the extent of £ E. 60,000, but, owing to the abuses to which, as I have already mentioned, this method of collecting revenue was particularly liable, the relief to the taxpayers will probably be considerably in excess of this sum. On the other hand, the loss to the Egyptian Treasury will be only £ E. 45,000, for the cost of collection was £ E. 15,000, or no less than 25 per cent. of the gross revenue—a figure which, I may observe, is by itself almost sufficient to condemn the system.

The octroi duty is, therefore, now abolished everywhere save at Cairo and Alexandria. The net revenue collected at Cairo amounts to about £ E. 150,000; that at Alexandria to about £ E. 50,000. The Alexandria Municipality, at whose disposal the octroi revenue collected at that town is placed, has recently made certain proposals with a view to the abolition of the duty on corn and meat, and the substitution of other taxes in its place. These proposals are now under consideration, but it will not improbably be found advisable to make no change at present.

The following are the principal changes introduced on the expenditure side of the estimates.

The grant to the Ministry of Public Instruction has been increased by £ E. 5,500. It is estimated that some changes recently made in the fees payable at the Primary schools will increase the revenue by £ E. 13,500. Thus an additional sum of £ E. 19,000 will be available for educational purposes.

The Sanitary Department receives an additional grant of about £ E. 5,000, in order to provide for improved inspection in the provinces, and the establishment of a Veterinary School.

The grant to the Prisons Department has been increased by £ E. 5,000, to provide for the food and clothing of prisoners.

Fresh credits, to the extent of £ E. 10,000, have been accorded to the Ministry of Justice to enable various improvements in the judicial system to be effected.

The Public Works Department receives an additional £ E. 8,000 for various services, such, for instance, as the lighting and maintenance of the streets of Cairo and Port Saïd.

As the result of various changes in the Coast-guard Service, an economy of £ E. 4,300 is effected.

The Telegraphs and Post Office receive additional grants of £ E. 6,000 and £ E. 4,500 respectively, in order to enable these services to be extended and improved.

The expenditure on pensions has been reduced by £ E. 18,000. This reduction is due to commutations.

One Soudanese battalion has been disbanded, and the camel-transport companies have been abolished. The military expenditure has thus been reduced by £ E. 29,000.

The net result of these, and of some other changes, the details of which are given in Mr. Gorst's note, is that the estimated expenditure for 1902 is £ E. 77,000 in excess of that of 1901. It is greatly to the credit of the Financial Department that it has been found possible to carry out the various administrative reforms, to some of which allusion is made above, at such small additional cost.

The Soudan.

The total charge borne by the Egyptian Treasury on account of the Soudan amounted, in 1901, to £ E. 417,000. The Estimates for 1902 provide for a diminution of this charge by £ E. 27,000. The total amount borne, under this head, by the Egyptian Budget for 1902 is £ E. 390,000, distributed as follows:—

	£ E.
Civil	267,000
Military	123,000
Total	390,000

I should add that, in reality, the Soudan costs the Egyptian Government less than the figure given above. About £ E. 43,000 is collected at Egyptian ports on account of duty on goods destined for the Soudan. This amount is credited to the Egyptian Treasury.

Summary of the Financial Situation.

The financial position of the Egyptian Government, on the 31st December, 1901, may be summarized as follows:—

The revenue of 1901, including a grant of £ E. 216,000 from the Caisse de la Dette, amounted to £ E. 12,160,000. This is the highest figure on record.

The expenditure of 1901, after devoting £ E. 64,000 to sinking fund, and after paying £ E. 1,408,000 to the General Reserve and Conversion Economies Funds, amounted to £ E. 11,396,000.

There was, therefore, a surplus of revenue over expenditure, in 1901, amounting to £ E. 764,000.

The balance to the credit of the General Reserve Fund, on the 31st December, 1901, was £ E. 3,795,000, of which £ E. 2,839,000 was pledged to future expenditure.

The balance to the credit of the Special Reserve Fund, on the 31st December, 1901, was £ E. 1,287,000, of which £ E. 567,000 was pledged to future expenditure.

The accumulated economies arising from the conversion of the preference stock in 1889 amounted, on the 31st December, 1901, to £ E. 4,485,000.

The outstanding capital of the Egyptian debt amounted, on the 31st December, 1901, to 103,265,000*l.* Of this amount, 8,265,000*l.* was held by the Commissioners of the debt, thus leaving a balance of 95,000,000*l.* in the hands of the public.

The revenue of 1902 is estimated at £ E. 11,060,000, and the expenditure at

£ E. 10,850,000, thus leaving an estimated surplus of £ E. 210,000. It is probable that this surplus will be exceeded.

The Soudan charge, military and civil, on the Egyptian Treasury amounted, in 1901, to £ E. 417,000. The estimated charge for 1902 is £ E. 390,000.

The most satisfactory features of the Egyptian financial are (1) that the revenue is steadily growing; and (2) that the growth of expenditure is far less rapid than that of revenue.

I give below the figures of revenue since 1890:—

	£ E.
1890	10,237,000
1891	10,539,000
1892	10,297,000
1893	10,242,000
1894	10,161,000
1895	10,431,000
1896	10,694,000
1897	11,093,000
1898	11,132,000
1899	11,200,000
1900	11,447,000
1901	11,944,000

During the period covered by these figures taxes to the extent of £ E. 1,408,000 per annum have been remitted. The salt tax has been reduced by 40 per cent. The postal and telegraph rates have been reduced by 50 per cent. Large reductions have been made in the railway rates. The only increase of taxation has been in the tobacco duty, which has been raised from P. T. 14 to P. T. 20 per kilog. The house tax has also been imposed upon European residents in Egypt.

In spite of these changes, it will be seen that, during the twelve years from 1890 to 1901, both inclusive, revenue has increased by £ E. 1,707,000. This fact is most encouraging for the future.

During the same period the expenditure has been as follows:—

	£ E.
1890	9,590,000
1891	9,607,000
1892	9,552,000
1893	9,555,000
1894	9,470,000
1895	9,421,000
1896	9,605,000
1897	9,709,000
1898	9,800,000
1899	9,929,000
1900	9,895,000
1901	9,924,000*

It will be seen, therefore, that, during the twelve years under review, the expenditure has only increased from £ E. 9,590,000 to £ E. 9,924,000, that is to say, by £ E. 334,000.

The working expenses of the railway, which naturally grow with the increase of revenue, more than account for the difference between the total figures of 1890 and 1901 respectively. In 1890 the working expenses were £ E. 610,000. In 1901 they were £ E. 1,057,000. There has, therefore, been an increase under this head, in twelve years, of £ E. 447,000. This is £ E. 113,000 in excess of the total increase of expenditure under all heads.

During this period improvements, involving large extra expenditure, have been effected in every department of the State. Moreover, it has recently been necessary to provide for a heavy annual charge on account of the Soudan. Nevertheless, it has always been found possible to compensate for increased expenditure in some directions by economies effected in other directions. I should add that, so far from efficiency having been sacrificed to economy, I entertain a strong opinion that the efficiency of every branch of the service has been greatly enhanced by the steady and constant check which has been maintained by the Financial Department on any tendency to extravagance.

* From this figure are, of course, excluded the payments on account of Sinking Fund (£ E. 64,000), General Reserve Fund (£ E. 1,143,000), and Conversion Economies Fund (£ E. 265,000).

Indebtedness of the Fellaheen.

I have explained in my previous Reports that the distinctive feature of the Egyptian plan for dealing with this interesting and important subject is that a certain amount of co-operation is established between the Government and the National Bank. The Bank makes the advances, and incurs the whole financial responsibility of the undertaking. The Government, through the agency of its tax-gatherers, collects the money due to the Bank at the same time as the land tax. Thus, the Bank, being relieved of the necessity of maintaining an expensive staff of subordinates, is able to advance money to the peasantry at a relatively low rate of interest.

From October 1900 to September 1901, 18,191 advances, amounting altogether to £ E. 276,100, were made. Of these, 13,030, amounting to an aggregate of £ E. 78,400, were loans repayable within the year. The remaining 5,161 advances, amounting in all to £ E. 197,700, were loans repayable in five years. Of the 13,030 loans repayable within the year, more than half, namely, 7,427, were for sums below £ E. 5; the total number of advances below £ E. 10 was 10,116. Of the 5,161 loans repayable in five years, more than half (2,604) were for sums not exceeding £ E. 20. These figures clearly show that the main object of the scheme has been attained: assistance has been given to small proprietors.

Since the Bank commenced making these loans in 1899, over 34,000 loans have been contracted; relief has, therefore, been afforded to an equivalent number of small proprietors. There are now 15,269 loans outstanding, for an aggregate amount of £ E. 402,000; of these, 3,326 are repayable within the year, and 11,943 repayable in five years.

The amount that fell due in 1901 was £ E. 146,000. This sum was due from over 21,000 borrowers. The whole amount, with the exception of £ E. 600, had been recovered on the 31st December last, and the small sum still owing will probably be collected this year.

The objection to the plan adopted in Egypt is that the class of operation involved is more properly the work of a Land Bank than of an ordinary bank. The National Bank of Egypt cannot reasonably be expected to lock up more than £ E. 400,000 of its capital in undertakings of this nature. For the moment, the difficulty has been met by the Government advancing £ E. 250,000 to the Bank. This will, at all events, enable the operations to continue for the time being. Whether any more complete change of system will be necessary must be a matter for subsequent consideration. There can, I venture to think, be no question of abandoning the experiment, which has so far proved eminently successful. There can be no doubt that the Egyptian fellaheen begin to realize the advantages of getting money at a moderate rate of interest, and that they are willing to take the opportunity now afforded to them of shaking themselves free from the grip of the village usurers. From all I hear, I do not doubt that it would be quite possible, were the capital available, to extend very considerably the operations of the Bank. But in a matter of this sort it is as well to move slowly, more especially as careful supervision is an essential element to the attainment of the object in view. I think, therefore, that for the time being it is not necessary to arrange for any more extended operations than those which may be covered by the additional £ E. 250,000 which the Government has advanced to the Bank.

I have, in previous Reports, mentioned that the real test of success which should eventually be applied to the experiment, which has now been going on for three years, is whether the fellaheen will, or will not, use the advantages offered them to incur fresh debts. It is naturally difficult to obtain precise information on this subject. Moreover, sufficient time has not elapsed to enable the experiment to have a fair trial. So far, however, as I have been able to judge, the alleged irremediable extravagance of the fellaheen has, as I anticipated would be the case, been greatly exaggerated. Up to the present time, the number of those who have used their improved credit in order to incur fresh debt has, to the best of my belief, been very small.

Post Office Savings Banks.

On the 1st March, 1901, Postal Savings Banks were opened at twenty-seven first-class post-offices. The rate of interest allowed is 2½ per cent. per annum. The deposits are limited to £ E. 50 in one year, and to a total of £ E. 200.

The sum deposited from the 1st March to the 31st December was £ E. 87,000, and

the amount withdrawn, £E. 39,000, thus leaving a balance of £E. 48,000, due to depositors at the end of the year.

The total number of depositors was 6,740, of whom 4,197 were Egyptians and 2,543 foreigners. Of the foreigners, 1,274 were Italians, 390 British, 373 Greeks, 227 French, 145 Austrians, 48 Germans, and the remainder of other nationalities.

It will not be without interest to state the various professions to which the depositors belong :—

Government officials	1,339
Magistrates	13
Sheikhs	18
Clergy	13
Soldiers and sailors	188
Merchants..	505
Manufacturers	84
Farmers	38
Authors and journalists	28
Liberal professions	396
Schoolmasters, &c.	120
Students	292
Merchants' clerks	1,285
Workmen	858
Servants	398
Children	721
Miscellaneous (without professions)	484
Benevolent Institutions, &c.	10
Total	6,740

On the whole, I think it may be said that so far the experiment of establishing Savings Banks has proved as successful as could reasonably have been expected. It is clear, however, from the classification of the depositors which is given above, that the rural population generally have not as yet availed themselves of the facilities for investment now offered by the Government. This may, to some extent, be due to the fact that the existence of the Savings Banks is as yet only partially known throughout the country. But another, and possibly more serious, obstacle which stands in the way of success is the feeling which exists amongst Mahommedans generally against investments of this nature. During the course of last year, 390 depositors, all Mahommedans, renounced the interest on their deposits.

The large number of Italian investors is probably due to the fact that a great many Italians have recently been employed by Messrs. Aird on the works in progress at Assouan and Assiout.

Domains Administration.

Land to the extent of 13,764 acres was sold in the course of last year. Out of this area, 10,602 acres were sold in small lots averaging 60½ acres. The remainder (3,162 acres) was sold in two large lots. The average price realized per acre on the small lots was 24*l.* 16*s.*, and on the two large lots, 19*l.* 15*s.*

The estimated value of the whole of the land sold was 219,049*l.*, but the prices realized at the sales by auction amounted to 326,453*l.*, or 107,404*l.* (49 per cent.) more than the valuation. Mr. Gibson, the British Commissioner of the Domains, remarks : "These high prices were due, partly to the sudden rise in the price of cotton in the year 1900, and partly to the extension of the system we adopted in the previous year, of selling the land in small lots. The subdivision of the land enabled small local proprietors, who cultivate land by their personal labour, to compete at the auctions successfully with the larger capitalists, who invest money in land with the object of letting, or cultivating it by hired labour." I have, for a long time past, persistently advocated the adoption of the system of selling in small lots, as I was desirous to see the land return into the hands of the peasant proprietors. I am glad to note that it appears to have produced satisfactory results.

The area of land still remaining in the hands of the Commissioners on the 31st December, 1901, was 165,051 acres, valued at 3,330,454*l.*

At the same date, the outstanding capital of the loan, which originally (*i.e.*, in 1879) amounted to 8,500,000*l.*, was 2,630,060*l.*; this amount, however, includes a sum of 500,777*l.* due on account of land already sold and delivered, and which is payable

by instalments extending over periods varying up to fifteen years. The outstanding capital, therefore, amounts in reality to only 2,129,283*l.*

From these figures it is clear, unless something should occur to bring about a heavy fall in the value of land in Egypt, not only that the debt is amply guaranteed, but also that, when it is completely liquidated, a considerable area of land will revert to the Goverment.

Only a small portion of the estates are cultivated direct by the Administration. During the year 1901, 128,386 acres were leased, at a rental of 130,906*l.* Practically the whole of the rent was collected. Of the total area leased, about one-third is waste land. This accounts for the apparently low average rental per acre.

The Domains surplus for the past year will probably amount to about 43,000*l.*

Further experiments have been made by this Administration in the cultivation of Indian wheat. Out of a total area of 6,529 acres sown with wheat, 4,559 acres, or about 70 per cent., were cultivated with this variety. The yield of Indian wheat was at the rate of about 32 bushels, against 22 bushels per acre of native wheat.

Daïra Administration.

The accounts for the year 1901 have not yet been closed, but it is certain that there will be a surplus of receipts over expenditure of not less than £ E. 60,000.

During the past year Daïra bonds to the extent of about 100,000*l.* were redeemed, thus reducing the total outstanding capital of the debt to about 6,017,000*l.*

Crookshank Pasha, writing to me on the 22nd January, says:—

"The good results of the land improvements carried out in 1900 and 1901 are now beginning to have effect, and the rents for 1902, although the acreage of land has been sensibly reduced by sales, have increased by £ E. 45,000. The rental payable for 1902 is no less than £ E. 686,000, and I fully expect that by 1905, when all the improvements now in hand are completed, the yearly rent-roll will exceed £ E. 800,000.

"Amongst other improvements carried out in 1901 may be mentioned the sale of nearly all our ploughing cattle, and replacing them by Messrs. Fowler and Co.'s latest improved steam ploughs and ridging machines, all of which have produced the best results and given the greatest satisfaction to our tenants.

"By the expenditure of £ E. 60,000 in the purchase of pensions, the yearly pension credit for 1902 has been reduced by nearly £ E. 6,000.

"The financial prospects for the year 1902 are very bad, and unless the sugar market improves considerably in the next few months (which is most improbable, with the increased production in Cuba and the maintenance of the bounty system in France and Germany), the Administration will possibly wind up the year with a deficit.

"Since 1877 the lowest price ever obtained for Daïra sugar was P. T. $43\frac{27}{40}$ per kantar* in 1895, which resulted in a deficit of the Daïra account of more than £ E. 100,000. At the present moment, when usually we have already disposed of half our new stock, we have sold nothing, the only offer we have had being at P. T. 33 per kantar, each piastre per kantar representing a difference of £ E. 11,250.

"Further administrative economies have been decided on, and, by the strictest economy in every branch of expenditure, and the careful development of every source of income, I hope we may satisfactorily tide over this crisis in the sugar industry."

Railways.

The net earnings of the railways in 1901 amounted, according to the published accounts, to about £ E. 1,222,000,† being £ E. 56,500 in excess of those of 1900. Owing, however, to a change in the form of accounts during 1900, this comparison is misleading. The real increase in the profit actually made is at least £ E. 150,000.

* 1 kantar = 99·05 lbs.

† Exclusive of the Keneh–Assouan line.

River competition, which was to be anticipated on the abolition of the navigation dues, formerly payable on the Nile traffic, does not, so far, appear to have affected the railway receipts. It is, however, capable of further development. It would, therefore, be premature to express an opinion on this subject for the present.

It has been found impossible to keep down the working expenses of the railways to the limit of 45 per cent. of the gross receipts, which is imposed by the Law of Liquidation. I have frequently alluded to the radical defects in the system under which the Egyptian railways are administered. Of these, one of the most notable is the endeavour to impose by law a low limit to the working expenses. Negotiations are now in progress with a view to the removal of this artificial restriction. It is greatly to be hoped that they will lead to some satisfactory result.

Another serious defect is that no convenient method has been provided for keeping open the capital account. The arrangements made with the Commissioners of the Debt have, however, partially, but also, I should add, only temporarily, mitigated this evil.

£ E. 440,000 was spent last year in purchasing rolling-stock, improving the permanent way, &c. A programme of new works for the current year has been authorized by the Commissioners of the Debt. It includes the doubling of the Upper Egypt line as far as Wasta.

I annex to this despatch (Inclosure 1) an interesting Memorandum, prepared by Major Johnstone, the President of the Railway Board, explaining how the contracts of his Department were placed during the past year.

A good many complaints in connection with the administration of the railways appear from time to time in the local press. I frequently make personal inquiries as to the justice of these complaints, and I always find that the Railway Board are most anxious to do their utmost to remedy any proved defects. As usually happens in these matters, some complaints are exaggerated, but others are legitimate. The travelling and mercantile public naturally only look to results. They can scarcely be expected to understand fully the special circumstances which hamper the administration of the railways in this country. Neither can they be expected to appreciate the fact that much which is laid to the fault of the Board is really due to the faulty system which the Board is obliged to administer.

I cannot in this Report enter into very full detail, but I may allude briefly to one or two of the principal points which have formed the subject of complaint. It will be seen that, in connection with each of these points, considerable improvement has already taken place, though, in most directions, it cannot yet be said that the arrangements are by any means perfect.

The first point to which I wish to allude is the want of goods waggons. I have on former occasions pointed out that, mainly owing to the very defective system which precluded capital expenditure, the Railway Administration failed to keep pace with the growing prosperity of the country. Nowhere was this more apparent than in the very inadequate provision of rolling-stock. The inevitable result ensued. A moment came when the whole trade of the country was hampered by the impossibility of moving the large quantity of goods awaiting transport. Great and successful efforts have been made, within the last two or three years, to cope with this evil. In 1899, only one out of every five trucks, for which application was made,* could be supplied. In 1900, the proportion was one out of three. In 1901, I am informed that ten out of eleven trucks were, on the average, supplied on the day on which they were asked for.

"We have now, I think," Major Johnstone writes, "enough waggons for all ordinary purposes, except in the case of covered waggons, and our stock of these latter has been largely increased."

Next, there has been a considerable improvement in the time taken by goods in transit.

* It should be noted that, as a proportionate distribution was to some extent made, merchants often applied for a considerably larger number of trucks than they could have used.

I give below the figures of up-traffic for 1900 and 1901 on the Upper Egypt line:—

	1900.	1901.	Saving.
	Hours.	Hours.	Hours.
Luxor to Alexandria (Gabari), 542 miles	73½	63½	10
Sohag to „ „ 416 „	55	50½	4½
Minieh to „ „ 278 „	36¼	29½	6¾

Perishable and urgent goods travel considerably faster. Through goods from Alexandria to Assouan are, for instance, timed to reach Luxor in thirty-two hours.

As regards the punctuality of the trains, I regret that I am unable to give full statistics. It appears, however, that, in November 1900, 12½ per cent. of the ordinary trains were twenty minutes or more late in arriving. In November 1901, the proportion was only 3½ per cent.

The following figures, as regards the express trains running between Cairo and Alexandria, are also of some interest:—

November	1899	.. ..	36 per cent. over 10 minutes late.
„	1900	.. ..	25 „ „
„	1901	.. ..	10 „ „

Manifestly, the unpunctuality tends to diminish; but there is still much room for improvement in this direction. A good deal is, however, due to unavoidable causes, such as high winds and the delays caused by repairs to the line.

The following remarks, written by Major Johnstone, refer to some Hungarian carriages which were recently ordered by the Railway Administration, and which have formed the subject of some adverse criticism:—

"The new corridor carriages were built by the Hungarian Waggon and Machine Company at Raab. It was Mr. Trevithick's first attempt at designing bogie carriages, and the manufacturers had no previous experience of constructing woodwork for this climate. It was inevitable that there should be a certain number of minor defects in the carriages under these circumstances, and such is the case; but the firm appears to have spared neither money nor trouble to give us satisfaction, and both Mr. Trevithick and Colonel Western did all in their power to contribute to this result. It is too early to report definitely whether the carriages will prove satisfactory, as they require various small alterations, and have not been at work long enough to show how they stand wear and tear. They are, I think, good carriages, but they need to be modified in various details to suit the peculiar conditions of this country, as has also been the case with carriages built in England. The goods waggons supplied by the Hungarian firm also gave some trouble at first; but the principal defects have been discovered and remedied. In this case the defects were due to precisely the same cause as in the carriages, viz., want of experience in this particular class of waggon. The material and workmanship compare favourably—especially the workmanship—with the waggons obtained from the United States, and the designs are satisfactory. Both carriages and waggons suffer from one defect—they are heavy. The Hungarian Company point to the weight as evidence of their solidity, and no doubt our American contractors went to the opposite extreme in the waggons they supplied; but I should like to see whether a good British firm could not give us the strength of the Hungarian work with something like the lightness of the American."

Many of the passenger carriages, particularly those of the third class, are in a bad condition; fifty new third class carriages are, however, in course of construction, and tenders will probably be invited before long for an additional 100. The number of carriages is also insufficient.

A good deal has been done in the direction of improving the permanent way, but there are still sections on some of the branch lines which can scarcely be characterized as safe.

The system of signals, which was defective, is about to be improved. About £ E. 35,000 will be spent during the current year on appliances intended to insure safety.

On the whole, I think it may fairly be said that the Railway Administration is steadily improving.

Keneh–Assouan Line.

The traffic on this line during the last three years has been so largely affected by the reservoir works that it affords little guidance as to the probable traffic in the future. A satisfactory feature is that the goods traffic northwards, from Shellal to Luxor, increased from 2,823 tons in 1900 to 7,933 tons in 1901. This is due to the export of gum from the Soudan.

£ E. 90,000 has been granted to repair the line, which is liable to constant interruption from floods. The expenditure of a far larger sum would, however, be necessary to place the line in a thoroughly satisfactory condition.

Agricultural Railways.

There are now 632 miles of narrow-gauge railway open to traffic in Egypt. Until recently, these were owned by four different Companies, viz.:—

1. The "Chemins de Fer Économiques;"
2. The Delta Light Railways;
3. The Mansourah–Matarieh Company; and
4. The Fayoum Company.

The number has now been reduced to three, as an amalgamation has been effected between the "Chemins de Fer Économiques" and the Delta Light Railway Company. The result seems to have proved satisfactory. In 1901 the combined Companies realized a net profit of 28,000*l.*

The Mansourah–Matarieh line also did well in 1901. A net profit of nearly 9,000*l.* was realized, and at the same time the working expenses were kept down to 56 per cent. of the gross receipts.

Owing mainly to defective management, the Fayoum Light Railway Company has so far not been so successful as could be wished. This is more especially to be regretted as the concern is wholly Egyptian. Even here, however, the Company is working its traffic at a profit, although its system of lines is as yet incomplete.

The transport of manure is becoming a very important item in the traffic of all these Companies.

Passenger traffic has everywhere increased very largely. On the Mansourah–Matarieh line in 1901 it was 25 per cent. in excess of that of the previous year.

Twenty miles of new telegraph line were laid down in 1901. The total length of telegraph and telephone lines now existing is 405 miles.

Subways or overhead bridges are being almost everywhere substituted for level crossings.

The following Table gives a brief comparison between the receipts and expenditure of the three Companies:—

Railway.	Length Opened to end of 1901.	Number of Passengers carried.	Goods carried.	Gross Receipts.	Total Working Expenses.	Rates of Working Expenses to Gross Receipts.
	Miles.		Tons.	£ E.	£ E.	Per cent.
Mansourah–Matarieh ..	68	587,116	43,863	20,079	11,222 =	58
Delta Light Railways..	484	2,977,787	382,838	99,981	72,033 =	72
Fayoum	80	386,516	84,573	10,610	8,577 =	80·8

Upon the whole, these Railways appear to have a satisfactory future before them. Their short leads place them at some disadvantage, but the steady yearly increase of the net receipts upon the different systems, as a whole, is encouraging. The conservatism of the people seems to be dying out, and the competition of camel and donkey transport is diminishing.

There can be no question as to the benefits which these railways confer upon the land-owners. As an instance, I may mention the village of Delingat, some 25 kilom. from Damanhour, the principal town of the Behera Province. Previous to 1892, the transport of cotton from Delingat to Damanhour cost 12 piastres per kantar. With the construction of an agricultural road between these two places, this rate fell to 8 piastres the kantar, and, with the advent of the light railway, this transport now only costs 4 piastres the kantar, and can be made in any weather.

Port Saïd Railway.

After examining the various possible methods of connecting Port Saïd with the general system of the State Railways, the Egyptian Government has, on the advice of the Railway Administration, decided in favour of that solution which consists in substituting a broad gauge for the present tramway from Port Saïd to Ismaïlia. But before this scheme could be carried out, a preliminary Agreement was necessary between the Government and the Suez Canal Company, within the limits of whose Concession the proposed line is situated. Negotiations have been entered into with the Company, and an arrangement is on the point of being concluded, of which the principal provisions are as follows:—

The Company is to convert its present tramway into a broad-gauge line, and to connect it with the general railway system.

The actual work of converting the line is to be carried out by the Railway Administration at the cost of the Company; the latter to be reimbursed by means of annuities, calculated at 4 per cent. including interest and sinking fund. These annuities run until the expiration of its Concession in 1968.

The capital sum which has thus to be reimbursed includes, in addition to the cost of converting the line, compensation for the original expenditure on the existing tramway.

The new line will be worked by the Railway Administration as part of its general system.

The total cost of the work, including compensation for the present tramway, will amount to between £ E. 350,000 and £ E. 400,000. The amount of the annuity will, therefore, be from £ E. 14,000 to £ E. 16,000.

The Railway Administration anticipates an increase in receipts of about £ E. 90,000 from the new railway. Taking the working expenses at 50 per cent. of the gross receipts, this estimate would give a net profit of about £ E. 30,000, after deducting the amount of the annuity.

By the Agreement, the Company also undertakes to provide at its own expense all increased accommodation which may become necessary at Port Saïd, by reason of the commercial development which is likely to take place in that town; and, in return for this expenditure, which may reach a considerable figure, the Company will be exempted from the payment of customs dues on articles imported for the use of the Canal service.

It is expected that the Port Saïd line will be finished and open to traffic in about eighteen months' time.

Telegraphs.

The receipts of the Telegraph Administration during the past year amounted to about £ E. 64,000, and the expenditure to about £ E. 52,000, thus leaving a net revenue of about £ E. 12,000. These figures are almost identical with those of 1900.

The number of telegrams sent in Arabic shows a steady tendency to increase. The figures for the last two years are:—

1900	678,000
1901	753,000
Increase	75,000

On the other hand, the "urgent" telegrams, which pay three times the ordinary rate, fell from 9 per cent. of the total traffic in 1900, to 4½ per cent. in 1901. The reason is to be found in the comparative cessation of speculation in cotton.

The plantations of trees for telegraph poles continue to thrive. It will probably be possible to begin cutting small poles for single wires in 1905.

The total length of new lines constructed in 1901 was 294 kilom., carrying 880 kilom. of wires.

Port of Alexandria.

The improvements which were made some few years ago with the object of enabling ships to enter the port of Alexandria during the night, appear to have produced the required result. In the course of last year, 645 steam-ships entered the harbour between sunset and sunrise. This is 108 in excess of the figure of 1900. There were no accidents.

At present, ships of a maximum draught of 26 ft. 6 in. can with safety enter the harbour. In view of the great increases which has taken place of late years in the size and draught of commercial steamers, I do not doubt that the entrance-pass into the harbour will eventually have to be deepened. Indeed, sooner or later, the question of improving generally the port accommodation at Alexandria will have to be taken up.* If, however, a broad-gauge railway is constructed to Port Saïd, and if the harbour at this latter place is also improved, the congestion at Alexandria will, to a certain extent, be reduced. The seaborne trade of Egypt is, in my opinion, now quite sufficiently great to require two principal outlets.

Great progress has been made in the construction, by the Khedivial Steam Navigation Company, of the new dry-dock at Alexandria. I am informed that there seems a reasonable prospect of its completion in about eighteen months. I have not, however, as yet heard of any steps being taken to excavate the channel leading up to the dock. The execution of this latter work is absolutely necessary before the dock can be used.

I may mention that, although the number of steam-ships entering Alexandria increased from 1,334, with an aggregate tonnage of 2,204,626, in 1900, to 1,443, with an aggregate tonnage of 2,413,222, in 1901, the proportion of British tonnage to the whole decreased from 46·4 per cent. in 1900 to 42 1 per cent. in 1901. There was an increase in the tonnage of German, Austrian, and Italian steam-ships.

Lighthouses.

The gross revenue derived from light dues in 1901 was about £ E. 95,000. This was £ E. 9,000 in excess of the revenue of 1900, and £ E. 6,000 in excess of that of 1899. The increase is mainly due to the resumption of commerce with China.

A careful inspection of all the Red Sea lighthouses was made in October 1901 by Commander Gedge, R.N. He reported them all to be in good order, but he recommended certain additions and improvements, most of which are in course of execution.

A sum of about £ E. 4,000 is about to be spent with a view to improving the lighting and beaconage of the Suez roads.

A proposal to erect a lighthouse on Moresby Shoal, a small coral patch lying nearly in mid-channel in the gulf of Suez, has recently been under consideration. A lighthouse at this spot would, I am informed, be very expensive to build and difficult to maintain. Moreover, some difference of opinion exists amongst competent authorities as to its necessity. The project has, therefore, for the time being at all events, been abandoned.

I have on previous occasions frequently alluded to the necessity which exists for improving the lighting of the eastern coast of the Red Sea, and I have also indicated the obstacles which have so far stood in the way of any effective measures being taken with a view to the attainment of this object. It is satisfactory to know that at last some progress is being made. I understand that lighthouses are in course of construction at Jebel Teir, Jebel Zubayir, and Jebel Zukur. I am, however, unable to afford any detailed information on this subject, as the construction of the lighthouses in question has been undertaken, not by the Egyptian, but by the Ottoman, Government.

Communications have recently been passing between the Egyptian Government and Lloyd's Agency, with a view to the erection of wireless ætheric telegraph signal-stations in connection with the lighthouses at various points on the Egyptian coast, both in the Mediterranean and in the Red Sea. As yet, however, nothing definite has been decided.

* I am in hopes that a commencement in the way of improvement may be made very shortly.

The Reassessment of the Land Tax.

The reassessment of the land tax in the province of Ghizeh was begun in January and finished in August of the past year; those districts of Gharbieh which remained over from 1900 were finished by December.

The following Table shows the detail of the year's work:—

Name of Province.	Acreage.	Present Tax.	New Tax.
		£ E.	£ E.
Gharbieh	293,026	381,932	357,199
Ghizeh	166,224	167,264	159,935
Total	459,250	549,196	517,134

The total number of acres assessed is thus 459,250, and the monthly average about 38,271. In both these provinces the total of the tax, according to the new rates, will be less than the present total; on the other hand, the provinces in which the work was finished in the course of 1900 showed a considerable increase over the present totals, and this will also be the case in the two provinces which are being taken in hand in 1902.

The total number of villages in Gharbieh and Ghizeh is 637; from only 170 of these were appeals presented against the decisions of the Valuation Commissions. The total number of appeals was 468, of which 257 were, upon examination, rejected. It is evident that the work of reassessment, notwithstanding the many interests involved, is meeting with but little opposition.

The work has now been finished in Sharkieh, Behera, Gharbieh, and Ghizeh. The three first named of these provinces are, owing to the inequalities of the land they contain, probably the most difficult in the whole country. A beginning has now been made in Menoufieh; it is hoped that the work will be completed in this province, and also in the Fayoum, in the course of 1902.

Paper Currency.

The notes appear to be in somewhat greater demand than was formerly the case. I am informed that the average circulation in 1901 was about £ E. 20,000 in excess of that in 1900. A considerable time will, however, probably elapse before the public generally becomes accustomed to the use of notes.

Salt.

The sale of salt is now in the hands of a private Company. The amount sold in 1901 was 52,221 tons, as compared to 48,691 tons in 1900. The total revenue collected was £ E. 223,000, being about £ E. 16,000 in excess of the revenue of 1900.

These satisfactory results are, without doubt, due to general prosperity, which has enhanced the purchasing power of the people.

Trade and Customs.

The total value of imports and exports during the past year amounted to £ E. 30,975,000, viz.:—

	£ E.
Imports	15,245,000
Exports	15,730,000

These figures, compared with those of 1900, show an increase of £ E. 1,133,000 in the value of imports, and a falling-off of £ E. 1,036,000 in exports.

It is satisfactory to observe that, in spite of the notable fall in prices and freights which occurred during the past year, the difference has been more than made good by an increase in quantities. The importation of material in connection with works of public utility in 1901 has, without doubt, helped to swell the import trade, but it can fairly be said that the main causes which have contributed to the result attained are the steady growth of trade and the opening-up of the Soudan.

The following are the principal increases in quantities during the year 1901, as compared with 1900:—

		Quantities imported in 1900.	Quantities imported in 1901.	Increase in 1901.
				Per cent.
Wheat	Tons	11,135	17,378	56
Flour of all sorts	„	52,173	71,181	36
Rice	„	30,409	44,258	45
Sugar	„	6,041	7,425	23
Soap	„	3,545	4,746	34
Cattle, including sheep and goats	Head	82,100	121,500	48
Cotton goods	Metres	11,746,000	17,885,000	52
	Kilog.	19,103,000	21,887,000	14
Cotton yarns	„	2,936,000	3,439,000	17
Alcohol	„	850,000	1,353,000	59

The increase in the importation of wheat and flour is due to the insufficiency of the Egyptian crop. The greater part (about 64 per cent.) of the flour imported in 1901 came from France, where a drawback is given on wheat imported to be ground and re-exported.

There has been an unusual demand for rice during the past year, owing to the restriction of the area cultivated in 1900. It is interesting to note that certain facilities, which have been made by the Bonded Warehouse Company in connection with the storage of rice, have attracted large quantities to this country; in fact, Egypt has become an important rice depôt for the supply of the Mediterranean ports. During the month of September last year, the stock of rice in bond was 164,770 sacks, or more than double the highest quantity reached at any time during the preceding year.

A rise in the price of sugar was expected in 1901, and a tendency to augment stocks with bounty-fed sugar from Austria and Russia was, without doubt, further influenced by the high prices for which the more important of the local factories decided to hold out. The expectations of the importers, however, have not been realized; there has been a serious over-importation of sugar, and a corresponding drop of about 20 per cent. in the price.

As regards soap, the quantities imported in 1901 came almost entirely from Mitylene and Greece. This soap is of an inferior quality and can be placed on the market at sufficiently cheap rates to enable it to compete with the locally-made article.

The scarcity of native cattle for slaughter accounts for the increase under this heading.

The increase in cotton goods and yarns may be attributed to the general prosperity of the country and the opening-up of the Soudan.

The increase in the quantity of alcohol imported is due to the local fabrication of alcoholic drinks.

In addition to the above, there has been a notable increase in the following articles. Taking values, these increases are:—

	Increase in 1901.
Paper..	29 per cent.
Furniture	20 „
Wooden articles	62 „
Marble and stone	35 „
Clothing	23 „

The value of articles imported by Parcel Post was £ E. 386,325 in 1901, as compared with £ E. 310,978 in 1900.

The only important items of decrease are worked iron and steel, butter and maize.

There was an abnormal importation of worked iron in 1900, and this fact accounts for a decrease of 26 per cent. in the value imported in 1901.

As regards butter and maize, the former shows a decrease in quantity of 28 per cent., which is due to an increase in the local production. The quantity of maize imported in 1901 was 10,845 tons, as against 32,455 tons in the preceding year. The decrease is to be attributed to the good crop of 1901.

The falling-off in the total value of exports is almost entirely due to the price of cotton; the quantity exported shows an increase of 13 per cent. in favour of 1901. The average price declared for export was £ E. 1·952 per kantar in 1901, as against an average of £ E. 2·372 in 1900.

It is probable that, in consequence of the low prices, a considerable quantity of cotton was held back. In view, however, of the fact that the crop of 1901 was far superior in quantity to that of 1900, it will probably be found by the end of the season, if there is no further drop in price, that the total value of the two crops has not differed to any very great extent.

There has been an abnormal exportation of beans during the past year, owing to the good crop and high prices which prevailed. The exports amounted to 679,000 hectol., valued at £ E. 260,500, as against 563,000 hectol., valued at £ E. 205,000, in 1900.

Another increase worthy of mention is that of gum Arabic, which comes almost entirely from the Soudan. The quantity exported in 1901 was 6,709 tons, valued at £ E. 254,800, being an increase of 260 per cent. in quantity and 171 per cent. in value on the figures of 1900. Two other products of the Soudan also show considerable development:

	Value of Exports in 1900.	Value of Exports in 1901.
	£ E.	£ E.
Ivory	8,476	19,062
Ostrich feathers	12,227	24,623

The principal decreases in exports were in eggs, 21 per cent., sugar, 6 per cent., and onions, 15 per cent. The price of onions fell so low at one time that it was scarcely thought worth while to risk the freight.

A comparison of the value of imports and exports, from and to each country, shows that the respective positions of each in degree of importance were approximately the same in 1901 as in 1900, with the exception that an increase is noticeable in the exports of cotton to Russia.

The quantity of tobacco and tombac imported into the country during the past year, compared with the imports of 1900, is:

	Quantity imported in 1900.	Quantity imported in 1901.	Difference in 1901.
	Kilog.	Kilog.	Per cent.
Tobacco, of all sorts	5,787,149	6,120,548	+ 6
Tombac	328,444	325,661	— 1
Total	6,115,593	6,446,209	+ 5½

The exportation of cigarettes shows an increase of 19 per cent. The quantity exported amounted to 529,034 kilog., which is equivalent to about 380,000,000 cigarettes.

The stock of tobacco in bond in the Government Stores on the 31st December, 1901, was 84,579 bales, as compared with 84,359 bales at the end of 1900. This stock represents the consumption of about 7 months.

The following were the Customs receipts in 1901:—

	Receipts in 1901.	Comparison between 1900 and 1901.
	£ E.	£ E.
Imports	1,174,909	+ 93,812
Exports	154,159	— 9,955
Tobacco, of all sorts, and tombac	1,221,483	+ 61,602
Miscellaneous receipts	12,642	— 241
Total	2,563,193	+ 145,218

Seven new warehouses have been constructed on the quays of the port of Alexandria during the past year, with funds voted by the Caisse de la Dette for the purpose. Two others are in course of construction. The import trade has, until now, suffered considerable inconvenience owing to the want of storage accommodation on the quays. When all the new sheds are in use, this inconvenience will have been removed, inasmuch as it will be possible to place all damageable goods under shelter, pending their clearance through the Customs.

I cannot close this portion of my Report without expressing my high appreciation of the valuable services which Chitty Bey, the Director-General of Customs, continues to render to the Egyptian Government.

Post Office.

The gross revenue of the Post Office during the past year amounted to £ E. 143,000, and the expenditure to £ E. 115,000. The net revenue was, therefore, about £ E. 28,000, or £ E. 1,000 in excess of that of 1900.

There has been a considerable increase in the number of letters, newspapers, &c., sent through the Post Office; all branches have shown a steady development.

The commission for transmission of specie packets was $\frac{1}{4}$ per cent. until 1895; it was then reduced to $\frac{1}{8}$th per cent.; it has now been still further reduced to $\frac{1}{12}$th per cent.

An arrangement has been made with the British Post Office for an exchange of money orders by telegraph.

The Administration of the Wakfs.

Affairs in this Department have been steadily improving since 1897, when, for the first time, the accounts of the Wakf Administration were placed under the control and supervision of the Ministry of Finance. The revenue, which was £ E. 212,000 in 1898, has been steadily growing. In 1901 it amounted to £ E. 245,000. The money has been devoted more exclusively than heretofore to the purposes for which the various endowments were originally created, namely, charity and the maintenance of mosques and schools. The cost of the Central Administration remains the same as in 1898, viz., about £ E. 58,000, but the grants to mosques have been increased by £ E. 21,000, those to schools by nearly £ E. 3,000, and those to various charitable institutions by about £ E. 5,000.

In 1896, the deficit of this Administration amounted to no less than £ E. 27,000. During the five succeeding years the aggregate surplus has amounted to £ E. 270,000. A sum of £ E. 86,000 stood to the credit of the reserve fund on the 31st December, 1901. Of this, £ E. 40,000 was pledged to expenditure of various sorts, leaving an available balance of about £ E. 46,000.

The arrears of rent which, in 1897, amounted to £ E. 52,000, have now fallen to £ E. 3,500.

A classification has been made of all the mosques in the country, showing their state of repair. They will be gradually taken in hand as funds are available.

Also, something is being done to improve the condition of the Readers, Muezzins, Imams, and other functionaries attached to the mosques. In a large majority of cases they at present receive a bare pittance.

As regards schools, a sum of £ E. 1,000 has been added to the grant paid to the Ministry of Public Instruction for extending the inspection over certain "Kuttabs."

The new Poor-house at Tourah has now been finished, and will be opened very shortly. A similar institution is about to be created at Alexandria.

The exchange of "Hikrs," a point to which I have alluded in previous Reports, proceeds but slowly. Out of a total of 10,000, exchange has only been effected in 642 cases. A project for rendering these exchanges compulsory is now under the consideration of the Grand Cadi.

The steps taken in order to insure a regular payment of the sums due to the beneficiaries of the private Wakfs have put an end to the frequent and legitimate complaints of the public on this subject. With the exception of sums required for the maintenance of the property, or the payment of which is retarded for legal proceedings, the beneficiaries receive the full amounts accruing to them, partly in the form of monthly instalments, and the balance when the accounts are finally closed.

These results, Harari Pasha, to whose advice and perseverance the recent progress is in a great measure due, truly says, "are worth recording, or else the public interested in the Wakfs may be led to forget the past, and think that the Administration has always existed in its present form. Every year marks an advance in the path of progress, and gradually the Wakfs Administration will really be able to fulfil, in an intelligent manner, the numerous obligations for which it was originally created."

Irrigation Works and Improvements.

A large sum of money was expended in 1901 upon remodelling the irrigation systems of both Upper and Lower Egypt. By far the greater portion of these works was connected with the scheme for the redistribution of water, which will of necessity take place when the extra supply is obtained from the Nile reservoir at Assouan.

In addition to the expenditure on the new weirs at the Barrage, and on the new dam at Zifta, a sum of about £ E. 490,000 was expended upon irrigation improvements, about £ E. 430,000 of the amount being granted by the Caisse de la Dette.

Of the above expenditure, Upper Egypt accounted for the larger share, about £ E. 361,000 having been allotted to the new works in progress in that region.

The following are the principal projects upon which money was expended in Upper Egypt:—

1. *Remodelling of the Basins lying to the West of the Youssufi Canal.*—Nearly £ E. 66,000 was spent upon this work. Its object is to improve the flood supply of these basins, and to give them their due allowance of the silt-laden water. The project includes, besides earthwork, the construction of two very important regulators and locks on the Youssufi Canal. It will be completed early in 1902.

2. *Conversion of the Assiout Basin System into Perennial Irrigation.*—This work, which involves a new canal system over a large area, was practically completed in 1901, at a cost of about £ E. 103,000.

3. In the Minieh province, a commencement was made with similar work, and an expenditure of some £ E. 21,000 was incurred. The Ibrahimieh Canal requires widening throughout its length, in order to enable its future discharge to meet the requirements of the new irrigation system. £ E. 28,000 was expended upon this work in 1901.

4. In the Fayoum province extensive remodelling works were put in hand, the principal of which were upon the Hassan Wassif, Bahr Nazlah, and Bahr Seilah Canals. In all, some £ E. 97,000 was spent upon irrigation works in this province in 1901.

5. Of the remaining new works in Upper Egypt, the most important were the construction of the new Hamad escape, which replaced that which failed at the end of 1900; the Talihat regulator, and the regulating head on the Sohagiyeh Canal. Upon these three works a sum of £ E. 27,000 was expended.

6. In addition to the expenditure under the special credits, some £ E. 25,000 from the ordinary Budget was devoted to the construction of minor works and to the repairs and maintenance of existing works. The projects mentioned above involved the construction of about 415 kilom. of new irrigation channels.

The following are the main irrigation improvements executed in Lower Egypt:—

1. *The Rayah Behera Head.*—This is the last work in connection with the Delta Barrage, which remains to be remodelled. The work consists of additions to the old regulator, a new lock, and two more openings. The whole structure will be provided with iron gates and winches, of a similar pattern to those used upon the Barrage. Good progress was made with this work in 1901; nearly £ E. 21,000 was expended. It is hoped that it may be completed in the course of 1902.

2. *The Niklah Regulator on the Rayah Behera.*—This is a large regulator of five openings, with a lock for navigation purposes. The object of this work is to give control over the water at the time of discharging the Niklah Basin. This operation has hitherto been one of considerable difficulty, and even of danger, as the discharge at present takes place into, and across, the Rayah Behera, on a level crossing. Once the regulator is completed, these difficulties will disappear. £ E. 17,000 was spent upon this work in 1901. It will be completed in the course of this year. £ E. 3,000 was also expended upon a syphon under this canal, constructed with a view to improving the irrigation of the Um Dinar lands.

3. *The Ismailia Canal-head and Lock.*—The old lock, at the head of this canal, failed some years ago. Attempts were made to repair it, but the foundations, as originally designed and built, were so faulty that the project was abandoned, and it was decided to construct a completely new work. Good progress was made with the foundations in 1901; £ E. 28,700 was expended.

The Syriakos regulator, on the same canal, is to be widened, in order to permit of its having an increased discharge of water. Over £ E. 3,000 was expended on this work in 1901.

4. *Improvements to Irrigation in the Gharbieh and Menoufieh Provinces.*—These works consisted of lowering the sill of the Kodabah Lock, widening the Bagourieh canal, and remodelling the Dimerah regulator. The total cost, in 1901, was about £ E. 85,500.

5. *The Khatatbah Flood-feeder.*—This important work was constructed in 1901, at a cost of £ E. 15,700. When the flood reaches a certain height, the water supply for the Behera province is taken in by this channel, and the head of the canal at the Barrage is closed in order to reduce the deposit of silt. Previous to the construction of this feeder, the channel was closed by an earth-work dam, which was cut when necessary.

6. *The Navigation Bridges on the Mahmoudieh Canal at Alexandria.*—These bridges are to be renewed; a sum of £ E. 3,250 was expended on them in 1901.

Lake Victoria Nyanza Gauges.

The subjoined Table shows the height of Lake Victoria Nyanza on the 1st October during the past four years:—

Dates.	Port Alice (N'tebbe).	Ports Victoria and Ugowe (Kisumu).	Lubwas (Usoga).
	Ft. in.	Ft. in.	Ft. in.
October 1, 1898	3 2	3 2½	3 1½
,, 1, 1899	2 6½	2 2	1 5
,, 1, 1900	1 7	1 1	1 0
September 30, 1901 ..	Not yet received	1 8	1 6

Sir William Garstin makes the following remarks on this subject:—

"At one period during 1901 the lake rose very considerably, as the following maximum levels, taken from the register, prove:—

Port Alice.	Ports Victoria and Ugowe.	Lubwas.
19th to 21st May.	5th June.	31st May.
Ft. in.	Ft. in.	Ft. in.
5 2½	3 11½	3 1½

"These show a total rise, over the levels of the same dates in 1900, of 2 ft. 7 in. at Port Alice, 1 ft. 8½ in. at Port Victoria, and 1 ft. 8½ in. at Lubwas. The differences between the gauge readings at Port Alice (both as regards date and height of maximum levels) and those of the other two stations is very remarkable. It is possibly due to the action of wind and to local storms. The result of the information received up to date shows that, although there was a considerable rise about the end of May 1901, the levels, at the end of September, were only 6 or 7 inches higher than those of the same date in 1900; also, that they were very similar to those of 1899, and were some 18 inches lower than those of the same period in 1898. It would be unadvisable to draw any conclusions from the above. The period for which the records exist is very short, and but little is known as yet of the relation between the levels of this lake and the summer supply of the White Nile. All that can be definitely stated is that at the end of the year 1900 the lake levels were abnormally low, and that those of 1901, at the same period, were not much higher."

The Sudd in the Bahr-el-Gebel.

A very full account of the sudd in the Bahr-el-Gebel was given in Sir William Garstin's Report, which was attached to my despatch of the 19th June, 1901 (see "Egypt No. 2" of 1901). I need now merely add that a length of only 23 miles of river still remains to be cleared of the obstruction. Work was commenced upon this reach in November last, after the rainy season had passed. A credit of £ E. 4,000 was granted by the Ministry of Finance for this purpose. No reports as to the progress made have as yet (the 21st February) reached Egypt, but this is not surprising, as the locality is extremely remote and communications are few and far between.

Irrigation Projects on the Upper Nile.

The condition of affairs as regards irrigation projects on the Upper Nile was fully described in my despatch to your Lordship of the 19th June, 1901, and in Sir William Garstin's Memorandum of the 7th June (see "Egypt No. 2" of 1901). Since writing that despatch, the situation has undergone no change. I may mention, however, that Sir William Garstin is about to travel in the region watered by the Blue Nile. His main object is not so much to arrive at any definite conclusion as to the course which should be adopted in the future, as to make a preliminary examination on the spot with a view to ascertaining, generally, the direction in which further inquiry may with advantage be made. Sir William Garstin's attention will be specially directed to the question of whether it may not be possible to construct some irrigation works within Soudanese territory, and thus obviate the political objections which would, in any case, be involved were it arranged to construct a reservoir at Lake Tsana, or anywhere inside the Abyssinian frontier.*

The Nile Reservoirs.

At the end of 1900, the only foundation work remaining to be done on the Assouan dam was that of the western channel. The temporary dams were completed

* I regret to say that, since this was written, I have received a telegram from Khartoum informing me that, acting on medical advice, Sir William Garstin has most reluctantly been obliged to abandon his intended visit to Lake Tsana. This is much to be regretted. The work which Sir William Garstin had intended to undertake is, however, merely postponed. I may mention that the Emperor Menelek readily granted his consent to the proposed visit.

early in 1901, and excavation commenced early in March. The hopes entertained, that the rocks in the bed of this channel would turn out to be sounder than in the others, were not realized; the foundations had to be carried down to an average depth of 6 metres below that shown on the original contract drawings. The work was carried on so vigorously that, before the Nile flood, the masonry in the western channel was completed to a height of 4½ metres above low-water level. In other portions of the dam, the masonry was in progress throughout the year. By December, more than half the length of the dam was completed, and the remainder was brought to an average height of 6 metres below final, or road, level. The total amount of masonry laid during the year was about 227,000 metres cube, making a total of 467,000 metres cube completed by the end of the year. This left about 75,000 metres cube to be laid in order to complete the work.

Cast-iron grooves have been erected in sixty-five deep sluices, and in thirty-five higher-level sluices. The masonry of the locks was nearly completed in 1901. The steel lock-gates, in two of the recesses, are in course of erection.

The value of the permanent work executed during the year was about £ E. 900,000, and that of the total, up to the end of 1901, £ E. 1,900,000. A further sum of £ E. 146,000 was advanced, under the contract agreement, to the contractor, for preliminary works, materials and plant. This advance will be recovered in the course of 1902.

There appears to be no reason to anticipate that this work will not be completely finished, and ready for use, before the end of the current year.

Mr. Fitzmaurice, the Resident Engineer, to whose energy and ability so much of the progress made is due, resigned his post in December 1901, in order to take up that of Engineer to the London County Council. His place has been taken by Mr. May, his senior assistant.

Equally good progress can be reported as regards the Assiout dam. At the commencement of 1900 a short length of foundation in the middle of the river remained to be completed. In spite of the considerable difficulties of inclosing it and of laying dry the river bed, this work was successfully accomplished before the arrival of the flood; by the end of the year, with the exception of a portion of the parapets and roadway, the whole of the superstructure was completed. The lock also was finished, and the gates were hung.

On the Ibrahimieh canal-head the foundations of the regulator and lock were completed, and the superstructure built to within 2 metres of the springing of the arches, before the flood. The amount spent on this work up to the end of 1901 reached the figure of £ E. 800,000. It is expected that regulation upon this weir will commence early in the current year for the purpose of assisting navigation.*

The very excellent progress made upon these works in 1901 is largely due to the exertions of Mr. Webb, the Director-General of Reservoirs, and of Messrs. Fitzmaurice and Stephens, the Resident Engineers. An equal amount of praise is due to Messrs. Blue and McClure, the representatives of Sir John Aird, at Assouan and Assiout respectively. It is certain that, without the untiring labour of these two gentlemen, the works could not possibly have been so effectively carried on, and would not have been completed a year before the contract time, as now seems almost certain to be the case.

Annexed to my Report for the year 1897 ("Egypt No. 1" of 1898, p. 44), will be found a Memorandum prepared by Sir William Garstin, in which the probable benefit to be derived from the construction of the reservoirs was fully discussed. I had hoped in the present Report to deal with this question again by the light of the further information which has now been obtained. On the whole, however, I have come to the conclusion that a statement of this nature will be more satisfactory and complete if I wait until the reservoirs are entirely finished and in use. I postpone, therefore, the treatment of this question until next year.

The Barrage.

The subsidiary weirs which, as I have stated in previous Reports, were commenced in 1898, were finished in 1901. The estimate for these works was £ E. 530,000, but they actually cost only £ E. 434,000, thus realizing a saving of £ E. 96,000. The weirs have now been used through a whole season, and have proved thoroughly efficient and

* Since this was written I have visited the Assiout dam. Regulation has already commenced.

sound. Thanks to their construction, it has been possible to raise the level of the water, up-stream of the Barrage, to a considerably greater height than would have been practicable without them.

The maintenance charges for the Barrage itself amounted, in 1901, to £ E. 12,690.

The Zifta Weir.

I mentioned in my last Annual Report that, in order to assist the distribution of water in the northern portions of the delta, it had been decided to construct a weir similar to that in progress at Assiout upon the Damietta branch of the Nile. The point selected is about half-way between the Delta Barrage and the sea. In the future the main canals which supply the southern tracts of the deltaic provinces will, as at present, obtain their supply of water from the river up-stream of the existing Barrage; but the areas lying to the north will be supplied directly from the new Zifta weir. The advantages of the new arrangement are obvious. The length of the existing canals is very great, and they traverse large tracts of country. It is consequently, even with the most perfect system of rotations, extremely difficult to force the water down to their northern reaches in sufficient quantity to give the lands dependent upon them their fair share of water. With the completion of the new weir, the lengths of the supply-canals will be much reduced, and the distribution of water to the northern tracts will be greatly facilitated. The Zifta weir was commenced in 1901. The total estimated cost of this work is £ E. 450,000. This includes a lock for navigation.

The design is, as I have stated above, practically identical with that of the Assiout weir. The foundations at Zifta, as at Assiout, consist of a thick bed of concrete inclosed between cast-iron sheet piling. The weir, when completed, will consist of fifty openings of 5 metres each, with a lock of 12 metres in width. The total length of weir from bank to bank will be 373 metres.

A good start was made with the work in 1901, and the progress has been so rapid that it is confidently hoped that the entire work will be completed by the end of the current year. It is true that at this place the soil of the river bed, upon which the foundations are laid, turned out to be much better than was expected, and this naturally assisted the rapidity of the work. Nevertheless, Sir William Garstin writes: "Very great credit is due to Mr. F. Hurley, the Resident Engineer. Mr. Hurley is a young officer of great energy and considerable ability. Had it not been for his excellent arrangements, it is certain that such a good out-turn of work would have been impossible."

The total expenditure upon the Zifta weir in 1901 amounted to £ E. 120,000.

The Corvée.

The following Table shows the number of men called out to guard the banks of the Nile during the season of flood since 1895:—

Year.	Men called out for 100 Days.
1895	36,782
1896	25,113
1897	10,830
1898	19,326
1899	7,893
1900	14,180
1901	8,763

The total number of men called out in 1901 was distributed as follows:—

Upper Egypt	8,602
Lower Egypt	161
Total	8,763

Sir William Garstin makes the following remarks on the subject:—

"A remarkable fact is that, in 1901, no corvée at all was called out to guard the Nile banks in Lower Egypt north of Cairo. The 161 men shown above were all employed in the basins of the province of Ghizeh. This gives great hope for the future, as, although the flood of last year was a low one, it was by no means the lowest on record; and never before in the history of Egypt has a flood season passed, however low, without the corvée of the northern provinces having been called out. The figures for Upper Egypt still remain high, this being chiefly due to the extent of the basin banks in that region. At the same time, there ought to be a regular reduction in the numbers, which is not yet observable. Thus, in the year 1899, the total for Upper Egypt was only 6,596. It is true that this was a year of very low flood, but those of 1900 and 1901 were very little higher, and were certainly not in any way dangerous floods. The figures for these years were 14,656 and 8,602 respectively, and these are assuredly higher than should have been the case. In this respect the Irrigation Inspectors of Upper Egypt would seem to cling too closely to precedent, and to be too conservative. The Ghirgeh Directorate and the 5th Circle are responsible for by far the largest numbers. As these two irrigation charges are under the superintendence of Egyptian Inspectors, it would almost seem as if they were unable to shake off the old tradition of Egypt, viz., that immense numbers of men are indispensable to the safety of the banks. This may be true in a year of dangerous flood, but certainly not in one of poor levels like that of 1901.

"The Irrigation service is at present studying the best means for abolishing the corvée, or, at all events, for reducing it to a very large extent. Proposals will be submitted for this purpose, but it is certain that the changes will be best introduced gradually."

Drainage.

About £E. 227,000 was spent upon drainage works last year. For this sum, 398 kilom. of new drains were constructed in Upper and Lower Egypt, and 166 kilom. of existing drains were remodelled. The expenditure includes the cost of land, earthwork, dredging, masonry, and timber works; also the pay of the special staff intrusted with carrying out the works. £E. 5,500 was expended in collecting materials for the Etsa pumping-station, which will eventually affect the drainage of the Assiout and southern Minieh basins, when converted to perennial irrigation. The Mex pumps, which drain Lake Mareotis, which again receives the drainage of a large portion of the Behera province, raised, in 1901, the largest amount of water hitherto recorded. The quantity lifted was 316,435,869 metres cube, the maximum amount pumped in any one day (25th February) being 2,903,490 metres cube. The cost of pumping, in 1901, reached the heavy figure of £E. 15,836, or some £E. 50 per 1,000,000 cubic metres of water pumped. The excessive amount of water raised in 1901 is largely due to a heavy winter rainfall, but it is also to be accounted for by improvements in the drainage system of this province, whereby more water is discharged into the lake than used to be the case.

Water Supply of Alexandria.

The project for improving the water supply of Alexandria is still under consideration. In the meanwhile, the construction of the new filter-beds, which must in any case form an essential part of the scheme, is progressing. These works will, it is thought, be completed in rather less than three years.

Water Supply of Provincial Towns.

Arrangements have been made to supply the towns of Keneh and Assouan with good water. Borings have been made with success, and good supplies of water have been found at Beni-Souef, Mit-Ghamr, and Zifta. Permanent pipes have been laid down, and drawings are being prepared with a view to the erection of the necessary buildings and machinery.

The Town of Cairo.

The total road surface of the city of Cairo is 2,803,482 square metres, of which 1,376,848 square metres are metalled, the rest being in earth. 22,808 square metres

of new metalled road were constructed in 1901, at a cost of £ E. 1,940. 52,748 square metres of basalt road were reconstructed, at a cost of £ E. 3,663; and 75,217 square metres of the same class of road were repaired, costing £ E. 2,915. In all, a sum of £ E. 10,772 was spent upon the upkeep of the Cairo roads in 1901.

The Caisse de la Dette has granted a credit of £ E. 20,000, in order to enable a commencement to be made with paving the roads of the native quarters of the city with asphalt bricks. If this matter is to be taken seriously in hand, a further very considerable sum of money will be required.

A drainage system for getting rid of the rain-water, which formerly used to flood the streets after every storm, was introduced last year. The total length of sewers laid, including the branches, is 8,051 metres. The total expenditure has been £ E. 20,500, out of a sum of £ E. 22,000, which was furnished by the Caisse. The drains will discharge their water into the Ismaïlia Canal. An engine and pump worked by electricity have been erected at the outlet, in order that, even when the canal is full, the drains may be worked. M. Reboul, who was in charge of this work, deserves great credit for the energetic way in which he has pushed it to completion by carrying on the work by night as well as by day.

As regards the Scavenging and Watering service, there has been no change in the area cleaned since 1900. As in that year, 61 per cent. of the total is cleaned and watered daily. The remaining 39 per cent. is cleaned once in every four days. The total expenditure for 1901 was about £ E. 25,000. An arrangement has been made by which this service, with its entire staff and plant, was handed over to the Sanitary Department from the 1st January, 1902.

There are now 3,233 gas-lamps in the town, or an increase of 62 over the number in 1900. Arrangements are being made for the installation of 295 new lamps in portions of the city where lighting is most urgently required. A special grant of £ E. 2,000 has been given for this purpose, with effect from the 1st January, 1902.

The prospect in the near future of telephonic communication between Cairo and Alexandria has decided the Telephone Company to establish metallic circuits in Cairo itself. The former system (with return current through the earth) has proved insufficient to transmit the sound to a great distance. This change in the system having doubled the number of wires, the Company asked for, and obtained, the permission of the Government to substitute subterranean for overhead wires. This work was practically completed in 1901.

Public Buildings.

Demands for the construction of new public buildings are springing up on all sides. It is quite impossible to meet all these demands at once. The question is not merely one of money. With the existing staff of the Public Works Department there is a limit to the amount of expenditure which can be adequately supervised. Some considerable time must elapse before all the public buildings, which are required, can be constructed. In the meanwhile, the facts which I give below will show that steady progress is being made.

About £ E. 127,000 was spent upon new public buildings in 1901.

These do not include buildings for either the Prisons or the Sanitary service. Both these Administrations, although their expenditure is still borne upon the Public Works budget, now employ their own engineers and carry out their own works, merely referring to the Public Works Ministry in special cases.

In Upper Egypt ten new buildings were completed in the course of last year, at a total cost of about £ E. 17,500, of which £ E. 9,500 was expended in 1901. These comprised police barracks, slaughter-houses, and Tanzim (Roads and Buildings Department) Offices. In addition, a new elephant-house and a lion-house were built for the Government Zoological Gardens.

Seven new buildings were commenced last year, the estimates for which amounted to £ E. 32,671, and the expenditure upon which was £ E. 11,900. These buildings consisted chiefly of police offices, police barracks, and Tribunals. The most important was the new Agricultural College at Ghizeh, which is estimated to cost £ E. 17,900, and upon which £ E. 5,500 was expended in 1901.

In Lower Egypt, a great deal of work was in progress. Twenty-six buildings were either completed or in progress representing an estimated cost of £ E. 471,654. Of this amount, £ E. 219,275 was expended previous to 1901, while £ E. 91,505 represents last year's expenditure.

I give below a brief account of the more important of these buildings.

The Egyptian Museum (Cairo).—The interior of the building, with the exception of a few details, is practically completed, and it has been handed over to the Museum authorities, who have commenced the transfer of the collections from the Ghizeh Museum. The Exhibition space is 15,000 square metres, as compared with 9,700 square metres at the Ghizeh Museum.

The boundary fence for the new building is still in progress.

About £ E. 198,000 had been spent upon this building up to the end of 1901. £ E. 23,000 was expended in that year.

The Arab Museum and Khedivial Library (Cairo).—This building is well advanced, and it is hoped that it will very shortly be completed. The cost, up to date, has been £ E. 47,000, of which £ E. 12,500 was spent in 1901. The total area of the Exhibition rooms is 1,540 square metres, as against 630 square metres in the present Arab Museum.

The Geological Museum (Cairo).—This building has been completed at a cost of £ E. 4,500. The collection of minerals gathered by the Geological Department has been placed in the Museum.

Boulac Stables (Cairo).—These are for the Scavenging and Watering service, and are intended to replace the buildings handed over to the Army of Occupation, under an agreement made regarding the land in the vicinity of the Egyptian Museum. These stables will, when completed, have cost £ E. 10,000, of which £ E. 2,500 was expended in 1901.

Residence for the Director-General of the Antiquities Department.—This building is to cost £ E. 4,400, of which about £ E. 1,000 was spent last year.

Customs Buildings at Alexandria.—These consist of new sheds, and of an addition to the tobacco store. They will, when completed, have cost £ E. 28,500, of which £ E. 18,800 was spent last year. They will be finished early in the current year.

Port Saïd Gouvernorat.—This building will cost £ E. 13,000, of which £ E. 2,400 was spent in 1901. It will be ready by the end of 1902.

Cairo Central Fire Station.—A commencement has been made with this work, and about £ E. 1,100 was expended last year. It will cost, when finished, £ E. 25,000, but it cannot be ready until 1903.

Cairo Post Office.—This building was completed in 1901, at a cost of £ E. 12,100, of which £ E. 8,200 represents the expenditure for last year.

Cairo Native Court of Appeal.—Although this building (including the prison) was taken over in 1900, several additions demanded by the Ministry of Justice are in progress. These will cost some £ E. 4,100, and will be finished in the course of this year. About £ E. 1,200 was spent last year.

Port Saïd Post Office.—This will cost £ E. 25,000, of which £ E. 4,800 was spent in 1901. It will be completed in 1903.

The School of Law (Cairo).—A commencement was made in 1901, but the building cannot be ready before 1903. The estimated cost is £ E. 22,100, of which £ E. 1,600 was spent in 1901.

The Sanieh School (Cairo).—This building was also commenced last year, and will be completed in 1903. The estimated cost is £ E. 27,200, of which about £ E. 1,700 was spent in 1901.

Schools of Moubtedian and Dar-el-Oloum (Cairo).—These two schools, which have cost in all £ E. 30,000, were completed in April 1901. £ E. 6,000 was expended in that year.

The Government Printing Press at Boulac.—The additions to this building are being carried out by Chelu Bey, the Director, under the supervision of the Public Works Ministry. Their estimated total cost is £ E. 12,000, of which £ E. 7,000 was expended in 1901.

Several other buildings were put in hand, but none of them are of sufficient importance to warrant special mention.

Repairs to existing Buildings.—About £ E. 40,000 was expended in 1901 upon repairs to the buildings belonging to the various Government Administrations, which number many hundreds. This sum includes a grant of £ E. 4,000 to the Prisons Department, and of £ E. 3,500 to the Sanitary service, for the upkeep of their buildings.

Inspection of Steam Engines.

I stated in my last Report that, after some lengthy delays, a new Law for licensing and regulating engines of all kinds had at last been enacted. It had been in operation since November 1900, and has yielded satisfactory results.

323 demands for engine licences were received in 1901, as against 153 in 1900. These, with 79 which remained over for consideration at the beginning of 1901, make a total for the year of 402. Of this number, 336 were granted, and 66 remained over for consideration at the end of the year.

The total number of engines now duly licensed in Egypt and in good working order is 869. This does not include irrigation engines and pumps. 856 visits of inspection were made in 1901. One boiler explosion occurred, caused by the negligence of the driver, but fortunately no one was injured.

The Survey Department.

During the year 1901, this Department has been mainly occupied with the revenue survey.

The triangulation of the provinces of Galioubieh and Dakahlieh has been completed, and a commencement made with that of Upper Egypt. The detail survey of the provinces of Gharbieh and Ghizeh was finished, and the reassessment of the land tax was completed before the end of the year.

About two-thirds of the area of the Menoufieh and Fayoum provinces have been surveyed.

In order to utilize the large quantity of unpublished maps already existing, a survey party was, during the last five months of 1901, engaged in revising them and bringing them up to date. A commencement was made with the province of Behera; 900 square kilom. have been completed in the field, and the two first sheets have been published. Others will quickly follow. It is anticipated that these maps will prove of great general utility, as no topographical maps, on a large scale, exist in Egypt.

The Meteorological Service.

Daily weather reports continue, as in 1900, to be published at Cairo, and telegraphic information is daily exchanged between Egypt and different stations on the Mediterranean. These bulletins are send to Port Saïd and Alexandria, and the information is furnished to the Shipping Companies. Meteorological stations in the Soudan have been extended, and arrangements have been made for observations to be regularly taken at Wadi Halfa, Khartoum, Kassala, Wad Medani, El-Obeid, El-Duem, Taufikieh, and Suakin.

The construction of a new Observatory at Helouan is to be commenced in the course of this year.

The automatic time-signal has been transmitted regularly from the Cairo Observatory since the commencement of 1900, but, during that year, only the Port Saïd time-ball was dropped by it. In 1901, the Alexandria time-ball was also put in electric connection with the Observatory at Cairo, as was the mid-day gun at the Cairo Citadel. The signal is sent at mean noon of the 30th meridian east of Greenwich, or at 10 A.M. Greenwich mean time.

The Geological Survey.

The work done by this branch of the Public Works Department has principally consisted in the preparation and publication of Reports upon the work done in previous seasons. Three Reports have been published, viz., those on the Kharga, Dakhla, and Farafra oases. Six more Reports are in the press.

The geological collection has been removed to the new Museum: it is now being arranged and classified.

A most important find of fossil vertebrata was made by Mr. H. Beadnell in the western desert during 1901. A considerable collection of new forms was made. These are now being determined and described at the British Museum (Natural History Branch). When this work has been completed, they will be returned to Egypt. Two

pamphlets relating to this subject, written by Mr. Andrew, of the British Museum, have already been published.

Recruiting.

The necessity for a thorough revision of the law relating to recruiting in Egypt has, for a long time past, been felt. In the course of last year, a Commission was appointed to examine into this important question. A law, based on the recommendations of the Commission, has now been drafted by Mr. Brunyate, who, in this, as in other matters, has rendered most valuable services. The new law will shortly be submitted to the consideration of the Legislative Council. Its provisions may be briefly summarized as follows:

The persons liable to military service are reclassified.

The law regarding exemptions from military service is systematized and simplified. I may mention that it is proposed to exempt men volunteering for service in the police for a period of ten years.

The procedure prior to enlistment, as well as the Regulations affecting the period and conditions of service, have been revised and simplified.

Legal sanction is given to calling out the reserves under certain circumstances.

The very faulty system, hitherto in force, of imposing vicarious punishment on the families of deserters, is to be abolished. In its place, it is proposed: first, to impose a cess on any village in which the absentees exceed a certain percentage of those called to the colours; secondly, to increase the term of service of conscripts fraudulently attempting to evade service. It will, however, be possible to obtain, by good conduct, a remission of the increased term of service.

Another important change, which is proposed, is that for the future only persons subject to military law will be tried by court-martial. Other offenders against the Recruiting Law will be dealt with by the ordinary Tribunals according to the gravity of the offences, which have been classified and for which penalties have been fixed. Heretofore, civilians offending against the Recruiting Law were liable to be tried by court-martial.

Crime.

In reading the following remarks, taken from a Memorandum prepared by Mr. Corbet, the Procureur-Général of the Egyptian Government, it has to be borne in mind that the word "crime" is used in the technical sense of the Egyptian Code. It answers with tolerable accuracy to the English word "felony":—

"In 1901 there were 2,382 crimes denounced, as against 1,977 in 1900. Of these denunciations, 834 (or 35 per cent.—exactly the same proportion as in 1900) were filed as being unfounded in fact, or not relating to facts constituting an offence in law, thus leaving a total of 1,548 real crimes, as against 1,290 in 1900. Already in 1900 there had been a slight increase of 39 in the number of crimes over that of 1899, which was lower by 91 than the lowest ever before attained. The number this year is larger than any since 1896, when the real crimes reached the much higher total of 1,866. The increase is general. Only in Alexandria, Port Saïd, and Fayoum is there any decrease, while the smallest increase is found in Cairo city and the province of Keneh, namely, 3 per cent. each.

"An analysis of the figures shows the following results:—

"'Brigandage,' so called, figures for 11 cases, in place of 12 in 1900; that is, it still keeps down, the figures counting back from 1900 to 1896, inclusive, having been 12, 17, 21, 28, 47. These figures are eminently satisfactory, as showing that the most serious of all crimes, from the point of view of public security, and that with which the authorities may fairly be expected to be able to cope, is not on the increase.

"Excluding the cases of 'brigandage,' robbery with violence shows a slight increase—306, as against 280.

"Homicide of various kinds stands at 486, as against 420, a considerable increase, being the highest number since 1896, when it reached 496.

"It may be of interest to remark on the causes of these homicides, so far as they are known, especially in comparison to those of the previous year. The most important headings of the classification adopted in 1900 (when this subject was first gone into) are—

"1. Vengeance;

"2. Cupidity; and

"3. 'Crimes passionnels.'

"Under the first heading we have 163 cases in 1901, against 150 cases in 1900; under the second, 79 in 1901, against 73 in 1900; under the third, 69 in 1901, against 50 in 1900. 'Miscellaneous' accounts for 91 in 1901, against 61 in 1900; causes quite unknown are 76 in 1901, against 78 in 1900. The most marked increase is, therefore, in the 'crimes passionnels,' a class of case where the authorities can do nothing in the matter of prevention. Among these crimes are classed 35 cases of infanticide, against 20 in 1900. I do not think it is to be concluded from these figures that the crime of infanticide (of bastard children) has increased in 1901, but merely that more of the cases happening were brought to light. In the same way (speaking in terms of a different classification of homicides), the cases of poisoning brought up in 1900 were 66, against 46, 44, 40, 36, and 20 in the five previous years, counting backwards. That this increase in numbers merely means more vigilance or honesty on the part of the authorities is, to my mind, quite certain, and it is quite probable that the apparent number of these crimes will continue to increase.

"As to the class 'cupidity,' the sub-heading 'robbery' shows 45 cases, against 46 in 1900; the chief increase is in the sub-heading 'quarrels about lands and boundaries'—20 cases in 1901, against 12 in 1900.

"On the whole, then, the analysis of the causes of homicides is satisfactory, in the sense that the increase is chiefly due to causes where the public security authorities cannot be expected to influence the numbers by direct prevention.

"We thus see that the two categories of homicide and robbery with violence account for an increase of 92, leaving 166 to be accounted for by other crimes. An examination of the figures shows that, of these, no less than 70 are accounted for by cases of arson, which were, in 1900, 103, and in 1901, 173. These cases are for the most part confined to two or three provinces, and to a certain period—that of the ripening of the wheat—though there is a certain number of cases of burning of 'sakias,' or waterwheels. Most of these cases cause very little damage; in the 'sakia' cases, indeed, the damage is often practically none, but the nature of the crime is obviously very serious. The motive in every case is simple spite. Unluckily, proof is very hard to get, the crime invariably being committed at night, and, naturally, not in the presence of witnesses; consequently, though suspicion generally points to some special person or persons, it is very seldom that a case can be brought home to the offender. It is to be hoped that, in the coming season, the Public Security authorities may be able to take special measures of precaution in the districts where this crime is rife.

"Of the 94 crimes remaining, 'attentat aux mœurs' accounts for 21 (101 against 83). There is no other detail which calls for special remark."

There has of late years been a steady annual increase in the number of misdemeanours ("délits"). During the last decade they have risen from 28,137 in 1892, to 48,981 in 1901. Neither Mr. Corbet nor Mr. Machell, the Adviser to the Ministry of the Interior, is disposed to attach much importance to these figures. They think that the increase is mainly due to the growing tendency of the population to have recourse to the Law Courts in order to settle their disputes. I believe this view to be correct, and, if this be so, the symptom is in many respects healthy. I should add that the very large majority of the cases classed as misdemeanours are of the most petty and trumpery description.

Anthropometric Bureau.

The Anthropometric Bureau, inaugurated some years ago by Colonel Harvey, has been doing useful work. The number of recidivists identified under false names since the system was fully established has been as follows:—

Year.	Number.
1897	177
1898	330
1899	384
1900	509
1901	841

Many of the identifications were made after condemnation. This was to be expected, owing to the prisoners not having passed through the hands of the

measurers before sentence was given. As the service is still further developed, the identifications will be effected when the individual is accused, and, therefore, in sufficient time to have his antecedents brought up against him. As it is, since the middle of August last year, in forty-five cases, prisoners under appeal have been detected under false names, and with antecedents, in sufficient time to call the attention of the Procureur-Général to the fact, and enable him to take steps to have their real names and antecedents brought up against them.

It has been decided to do away with classification by measurement, and to rely entirely on finger-prints.

Prisons.

I have mentioned in previous Reports that the two main defects of the Egyptian Prison Administration formerly were: (1) that the accommodation was insufficient; and (2) that, owing to the adoption of the very faulty system of allowing many of the prisoners to be fed by their friends outside the prison, the maintenance of proper discipline was a matter of much difficulty.

As regards the first point, steady progress was made during the past year. A sum of about £ E. 25,000 was spent on building new prisons. Expenditure to the extent of £ E. 30,000 has been sanctioned for similar purposes during the current year.

As regards the second point, rations were, during the past year, issued to all prisoners confined in the central prisons, as well as to indigent prisoners in the local lock-ups. The cost of this change of system was partly covered by the prisoners' earnings, which, in 1901, amounted to about £ E. 6,600.

The total cost of the Prison Administration to the State, exclusive of building grants, was about £ E. 60,000, or at the rate of £ E. 6·7 per prisoner, As more money becomes available. it is proposed to create, from the proceeds of the prison industries, a fund for assisting discharged convicts to make a fresh start in life.

The prison population increased during the past year. The numbers were 9,357 (including 418 women and 103 juveniles) on the 31st December, 1901, as compared to 8,777 on the 31st December, 1900. On the other hand, the penal servitude convicts decreased from 2,058 to 1,972.

Some important reforms are about to be introduced into the Penal and Criminal Procedure Codes. Without entering into detail, I may remark that these reforms involve: (1) a reduction of costs in all criminal cases, and the adoption of a revised schedule as to imprisonment in default of payment of fine; (2) conditional sentences in the case of first offenders; (3) more severe penalties for old offenders (recidivists).

Hitherto, the costs have been so heavy that offenders have generally found it either impossible to pay them, or distinctly to their advantage to undergo a short term of imprisonment, rather than pay the sums in which they have been mulcted. Once in prison they ran the risk of being contaminated by association with bad characters. It is hoped that, with the change in the Law, payment of fines will become more frequent. Coles Pasha, the present very capable Director-General of the Prisons, anticipates a large reduction of the prison population, but thinks that, in future, heavier sentences will in general be imposed. He adds, in the note which he has addressed to me on this subject, "With these reforms I consider that prison legislation may be said to have been exhausted, and the administration of the Department in the future will depend entirely on the efficiency of its officers." I trust this may prove to be the case. The reforms, to which allusion is made above, are all in the right direction, but, as a matter of personal opinion, I may say that I rather doubt whether in Egypt, or, indeed, in any other country, a perfect solution has yet been found for the very difficult problem involved in the treatment of the criminal classes. I trust it may eventually be possible to move somewhat further in the direction of rendering punishment more reformatory, and somewhat less punitive, in cases where any real prospect of reformation may reasonably be entertained. How far the system, which appears to be excellent in principle, of increased severity to hardened offenders, will work in practice, must depend very largely on the manner in which the Judges exercise the discretionary powers, which must necessarily be conferred upon them. My hope is that they will not hesitate to make use of those powers.

The Reformatory.

During the past year, forty-five boys were discharged from the Reformatory and forty were admitted. Of these latter, twenty-six came from Cairo. The Judges at some of the other large centres appear scarcely to make sufficient use of the powers conferred on them by the existing law, to send boys to the Reformatory instead of to prison. Attention has been drawn to this point.

Of the sixty-two boys who have been discharged from the Reformatory during the past two years, thirty-five are doing well, eleven have been re-convicted, and twelve are classed as "doubtful." Of the remaining four nothing has been heard. The proportion of failures, or of cases where success has only been partial, is thus somewhat high.

Hashish.

The campaign against the use of hashish continues, and was attended, during the past year, with as great a degree of success as could reasonably be expected.

The best test of whether hashish is scarce in the country is the selling price in the Cairo and Alexandria markets. During the course of last summer it reached the hitherto unprecedented figure of 50 fr. a kilog.

The total quantity of hashish seized throughout the country by the coast-guard in 1901 amounted to 12,061 kilog.; by the police, 2,722 kilog.; and by the Customs, 1,126 kilog.

Only 85 hashish patients were admitted to the Lunatic Asylum at Abbassieh in 1901, as against 128 in 1900.

The new law which enables a public establishment, of which the occupier has allowed the consumption of hashish, to be closed temporarily, and, in cases of third offence, or where the occupier can be shown to have actually sold or supplied hashish, to be closed definitely, continues to produce good results. No less than 1,029 establishments were ordered to be closed in 1901, as against 975 in 1900, and 310 in 1899. I am informed, however, that many of the establishments which are closed reopen under another name.

The contraband trade in hashish is carried on principally along the coast west of Alexandria. It is very difficult to stop it. Bedouins, who are thoroughly well acquainted with the coast where it is contemplated to land hashish, are carried on board the ships engaged in contraband trade; the steamer, by day, lies some 40 miles off the shore, steams in at full speed just after dark, lands her contraband, and is 40 miles from the shore again in a few hours.

The Pilgrimage.

The new Rules about the Mecca pilgrimage, to which I alluded at some length last year, seem to have worked well.

The Khedivial Steam-ship Company alone accepted the conditions laid down by the Government, with the result that all the Egyptian pilgrims were conveyed by the steamers of that Company.

The pilgrims were repatriated without any intervention from the Government. The long and wearisome delays which heretofore occurred at Jeddah and Yembo were avoided. The pilgrims themselves appeared to recognize that the journey to and fro had never been performed under such favourable circumstances. The mortality in the camp at Tor, which amounted to ·64 in the case of non-Egyptians, was only ·06 in the case of Egyptian pilgrims.

I think it may be said that the question of transporting the Egyptian pilgrims to and from Jeddah has at length been satisfactorily solved.

Bakeries, store-houses, kitchens, and some other buildings have been constructed at Tor. The quality of the food supplied last year was good, and the quantity abundant.

The precaution of insisting, before the issue of a passport, on a deposit of £ E. 1, to cover the possible cost of maintenance, has resulted in reducing the number of indigent Egyptian pilgrims to sixty-one, or less than 1 per cent. of the total number of indigents during the year. Out of a total of 18,900 foreign pilgrims,

no less than 6,000, or 31 per cent., had to be fed at the expense of the Egyptian Government.

Hitherto the sick have been located in tents. During the past year two stone hospitals, each containing thirty beds, have been constructed. The accommodation for the sick is, however, still inadequate.

The question of providing barracks for the pilgrims is under consideration. As the pilgrim season gradually falls back into the winter, the necessity of replacing the tents, in which the pilgrims are now lodged, by masonry constructions becomes more and more apparent.

Further, it is very necessary to establish a pilgrim station at Suakin. Pilgrims from all parts of Africa cross the Red Sea on their way to Mecca, and on their return, under existing regulations, are required to go more than 500 miles north of Jeddah to undergo their period of quarantine or observation at Tor. The temptation to make their way back to the African coast by any sailing-boat that offers is too strong to be resisted, and the result is a wholesale disregard of Quarantine regulations by the Soudanese pilgrims, with proportionate risk to the Soudan. The matter is now under consideration.

Slavery.

The main interest of anti-slavery operations has now been shifted from Egypt to the Soudan. In Egypt proper it may be said that, for all practical purposes, the institution of slavery no longer exists. All that is required is a certain amount of care and watchfulness to maintain the position already acquired.

In the Soudan the case is different. In that country we are only at the commencement of the anti-slavery campaign. That success will be eventually obtained I cannot doubt. But it must be admitted that the difficulties are considerable. The most notable of these arise from the vast extent of territory which has to be guarded.

From all I hear, I am led to believe that, in spite of all the efforts of the Soudan Government, slave raids, accompanied with bloodshed, still occasionally take place in the southern districts of Kordofan and along the Bahr-el-Arab. The slaves are either sent westward or else eastward across the White Nile into Abyssinia, where they are easily sold. It appears, also, that the Barun tribe of negroes, whose country lies to the west of the Beni Shangul district, are periodically raided by the Abyssinians.

On the other hand, Captain McMurdo, the Head of the Anti-Slavery Department, reports;—

"The very considerable kidnapping business, which took place in the vicinity of all large towns in the Soudan shortly after the reoccupation, has much decreased. This is to be attributed to the energetic measures employed by the Soudan Government."

Notably, there are now but few cases of kidnapping at Suakin, which, Captain McMurdo says, "used to be a hot-bed" for offences of this description.

An important administrative change was made during the course of last year. It was decided to transfer the greater portion of the Slavery Camel Corps to the Soudan, with a view to operating along the Atbara, from its junction with the Nile as far as Assobri on the Atbara and Kassala on the Gash, whilst the Camel Corps at Suakin is to guard the Red Sea coast north and south of that district. The two Camel Corps are to co-operate in guarding the south-eastern exit of the Soudan.

An English Chief Inspector (Mr. N. Wilkinson) has been brought into the Department, and appointed to Khartoum, to collect all possible information concerning the slave traffic in the Soudan, and to organize the Atbara cordon.

In January 1901, a camel company, of about 100 strong, marched from Upper Egypt to the Atbara and made their head-quarters at Adarama, where a system of patrols up and down the river was carried out. This measure appears to have had the effect of arresting the traffic, and also of diverting it to the south and east. In more than one case, caravans of slaves have been driven into the hands of the Native Camel Corps of the Soudan Government in the Kassala district. It is certain that, in the Suakin district, the traffic has of late been much less active than formerly.

Captain McMurdo is now engaged in a tour through the eastern and south-eastern

districts of the Soudan. He will subsequently visit Kordofan. I do not doubt that he will be able to gain information which will be useful in connection with future operations against the slave raiders.

Before concluding this portion of my Report, I trust I may be allowed to add that, according to information received by Captain McMurdo, the Government of Erythræa has been more successful during the past year in its endeavours to suppress the traffic in slaves than at any former period. The Italian Government has always taken the greatest interest in this matter, but they have had to cope with difficulties as great as, and possibly even greater than, those which have been encountered by the Egyptian and Soudan Governments.

Alexandria Municipality.

The Alexandria Municipality, with the approval of the Egyptian Government, recently raised £ E. 500,000, at 4 per cent. interest. The money is to be spent on sanitation.

The National Bank of Egypt took up the loan at par.

Provincial Municipalities.

Local Commissions have now been established in twenty-four provincial towns. With the exception of Mansourah, all these towns depend on the Government for their receipts, which vary from £ E. 800 to £ E. 2,500 a-year.

At Assouan, arrangements have been completed for the supply of water from the foot of the Cataract to the principal parts of the town. Similar arrangements are contemplated elsewhere. At Ziftah and Kafr-el-Zayat, the question of sinking artesian wells is being studied. Contracts have been signed for lighting the towns of Helouan, Tantah, and Ziftah by electricity. At Beni-Souef, Luxor, and Keneh, the Croizat system of lighting has been adopted. Other towns are following their example.

On the whole, I think it may be said that the first steps in the direction of local self-government have been attended with results as favourable as could reasonably be expected.

The case of Mansourah is exceptional. Rather more than three years ago the inhabitants of this town voluntarily imposed on themselves a tax to supplement the Government grant. In 1901, the total receipts amounted to £ E. 7,320, of which £ E. 2,750 was contributed by the Government; the balance of £ E. 4,570 was derived from the voluntary tax. The first period of three years, for which the inhabitants engaged themselves, expired on the 15th November, 1901. It was a matter of some interest to know whether they had been sufficiently satisfied with their experience to feel justified in engaging themselves afresh. Not only is this the case, but the budgetary provision for 1902 amounts to no less than £ E. 10,400. The future of Mansourah is, therefore, insured for a further period of at least three years.

I am informed that the inhabitants of Fayoum and Tantah have recently expressed a desire for the introduction of the Mansourah system into their towns.

Medical Administration.

The number of admissions to Government hospitals continues to increase. During 1901, 23,447 persons were treated as in-patients, as against 22,572 in 1900.

The steady increase in the amount of money received from treatment fees is a proof that the native population is beginning to appreciate the advantages of hospital treatment. The fees received at the Kasr-el-Aini Hospital in Cairo have risen from £ E. 349 in 1896 to £ E. 1,247 in 1901.

A process of administrative decentralization, which appears to have been attended with good results, took place in connection with the Sanitary and Medical Department in the course of last year. Heretofore, the construction and repairs of all hospitals, &c., were carried out by the Public Works Department. This work is now intrusted to the Director-General of the Sanitary Department, who employs his own staff of engineers, &c. Under his direction, about £ E. 16,000 was, during 1901, spent on enlarging or improving the hospitals and other buildings at Port Saïd, Tantah, Minieh,

and Alexandria, and about £ E. 3,500 on erecting slaughter-houses at various spots throughout the country. Extensive repairs to existing hospitals were also carried out.

Infectious Diseases.

Independently of plague, 3,622 cases, and 682 deaths from infectious diseases were notified during 1901, against 4,144 cases, and 1,027 deaths in 1900. Small-pox accounted for 1,883 cases, and 220 deaths. Cairo was comparatively free from this disease during the year, only twenty cases and four deaths occurring against 172 cases and forty-one deaths in 1900. This immunity was, without doubt, due to the very thorough re-vaccination of a large proportion of the population during 1900. The good results of efficient vaccination in preventing the spread of small-pox cannot be better illustrated than by what took place at Port Saïd in 1901, when an outbreak of the disease occurred in that town.

The population of Port Saïd is 47,500, of whom 35,000 are natives and 12,500 Europeans. 174 cases and 56 deaths from small-pox were reported from this town during 1901. Of these, 129 cases and 38 deaths occurred among Europeans, and 45 cases and 18 deaths among natives. This enormous disproportion was, without doubt, due to the lack of vaccination among the European population It is possible to enforce vaccination among the native population, but among the Europeans, though vaccination is compulsory by the laws of the country, it is impossible to enforce it, as the Egyptian Sanitary Department has to depend on the Consuls of the various countries for the notification of births in their respective colonies, and these notifications are either sent with no information as to the residence of the parents, or are not sent at all, so that it is impossible to trace the children and prosecute the parents in the Courts if they refuse to have them vaccinated.

Over 30,000 of the inhabitants of Port Saïd were vaccinated between January and June 1901. After the end of June, no further cases occurred.

Small-pox, which in the province of Assouan was formerly very prevalent, has been almost entirely stamped out by more efficient vaccination. The Bisharin Arabs, who suffered greatly from the disease, especially in the camp at the south of the town of Assouan, are now free from it, and present themselves readily for vaccination, provided their names are not entered in the registers; this is not done.

I venture to commend these facts and figures, which are taken from a Report addressed to me by Mr. Pinching, the Director-General of the Sanitary Department, to those who are disposed to doubt the utility and efficacy of vaccination.

The Vaccine Institute, established in Cairo some years ago, is doing excellent service.

357 cases of diphtheria occurred in the town of Cairo during 1901, as against 210 certified during 1900. The difficulty of suppressing the ravages caused by this disease arises from the fact that many cases among the native population are not brought to the notice of the Sanitary authorities until after death has taken place. In all houses infected with diphtheria, and those in contact with them, the prophylactic treatment by the injection of anti-diphtheric serum has been practised on all surviving children, where the parents have accepted it. In houses where this treatment has been carried out, second cases of the disease have never occurred. It is regrettable that, in some cases, parents will not accept this treatment for their healthy children, who have been more or less in contact with the infection of diphtheria, as without doubt it offers a very real protection against the disease.

The general mortality in Cairo has shown a marked decrease during 1901, in comparison with 1900.

	1900.	1901.
Mortality	36 per cent.	32 per cent.
Excess of births over deaths	1,499	4,616

I give these figures, as it has been occasionally stated that the death-rate increased in Cairo during 1901, owing to the town being rendered unhealthy by the opening up of the streets with a view to laying the pipes required to carry off the rain water.

The Plague.

I annex to this Report (Inclosure 2) a Memorandum prepared by Mr. Pinching, in which a full account is given of the progress of the plague during the past year. The manner in which Mr. Pinching, and those serving under him, have combated the spread of this disease deserves the highest praise.

Quarantine.

A strong and apparently almost universal opinion seems to exist in Egypt that the present condition of affairs as regards Quarantine Regulations is very unsatisfactory. Numerous and, in my opinion, justifiable complaints have been made on this subject by the various Commercial Associations which are established at Alexandria. This is not the proper place to enter into any full discussion of this difficult and complicated question. I confine myself, therefore, to an expression of opinion that a revision of the Convention of Venice is much to be desired.

Village Sanitation.

During the past year, 227 cemeteries were condemned and other sites selected for them. Very few villages now remain in which it will be necessary to change the cemeteries.

The work of improving the sanitary condition of the mosques continues steadily. 1,179 village mosques were dealt with in 1901.

Mr. Pinching again draws attention to the fact that the birkets (ponds), which exist in the neighbourhood of nearly every village, constitute a danger alike to human beings and to animals. I trust that, sooner or later, it may be possible to deal with this important but somewhat difficult question.

Mr. Pinching also lays stress on the importance of opening up some of the larger streets through the towns, in order to provide for a free circulation of air.

Lunatic Asylum.

Since 1895, a sum of £ E. 21,000 has been spent on alterations and improvements in the Lunatic Asylum at Abbasieh. Of this amount, £ E. 5,000 was spent last year. The sanitary condition and structural efficiency of the building have both been greatly improved, but there can be no doubt that the accommodation for lunatics is altogether insufficient. Another Lunatic Asylum is much needed. Some slight relief has, however, been afforded by removing to the convict establishment at Tourah all the criminal lunatics, who were formerly confined at Abbasieh.

An increase in the European staff of the Asylum is also very necessary. I understand that an assistant to Dr. Warnock, the present very capable Head of the Asylum, is about to be engaged. The question of engaging some more qualified attendants, which is one of much importance, may possibly be considered in connection with the Estimates for 1903.

The most interesting medical work at present in hand at the Asylum is the observation of cases of insanity due to, or accompanied by, pellagra. A record of these cases is being published in European scientific journals.

Supply of Cattle.

The question of the supply of cattle in Egypt is becoming one of great importance. On the one hand, the demand, both for agricultural purposes and for purposes of slaughter, is steadily increasing, and is likely to increase still further when, by reason of the completion of the reservoirs, a considerable impulse will be given to agriculture

generally. Moreover, I hear from many quarters that large numbers of people, who before lived on vegetable diet, are now sufficiently wealthy to buy butcher's meat.

On the other hand, the supply so far has not kept pace with the demand. Severe restrictions are placed on the importation of live-stock, in order to guard against the danger of disease. Many owners of cattle, tempted by the high price of meat, kill cattle which would otherwise be used for agricultural purposes.

The matter has, I understand, occupied the attention of the Agricultural Society. The remedies would appear to consist in doing all that is possible to encourage cattle-breeding, and in arranging for the transport, during all weathers, of meat from the sea-ports to the inland towns. A trade in frozen meat has already sprung up. About 800,000 lbs. of Australian meat was landed at Port Saïd in the course of last year.

Rabies.

Twenty-two cases of rabies were reported amongst animals last year, as against nineteen in 1900. Over 180 persons were treated at the Anti-Rabies Institute, which is under the direction of the Italian Benevolent Society. This is an increase of forty over the number treated in 1900. It is probably owing to the existence of this useful institution that the number of deaths from hydrophobia fell from ten in 1900 to three in 1901.

Justice.

Mr. McIlwraith's Report, which is about to be published, deals fully with the progress made in every branch of the judicial system. I can add nothing to what he says.

Cotton Mills.

In my Report for the year 1898, which was published in the spring of 1899 ("Egypt No. 3" of 1899, p. 14), I made the following remarks:—

"During the last few years, several proposals have been made to the Egyptian Government with a view to establishing cotton manufactories in Egypt. At present, I need hardly say, Egyptian cotton goes to Europe—mostly to Manchester—paying a 1 per cent. export duty, and is reimported in the form of yarn and piece-goods, which pay an 8 per cent. *ad valorem* import duty. There can be no sort of reason why the Government should oppose any proposal which involves placing the home-made on precisely the same footing as the imported goods. On the other hand, it would, for obvious reasons, be detrimental to both English and Egyptian interests to afford any encouragement to the growth of a protected cotton industry in Egypt. This is what the proposals so far made involve. Whether the industry can thrive without protection is a point on which I am not qualified to express an opinion."

On the 21st September, 1899, the Egyptian Cotton Mills Company (Limited), issued a prospectus which contained the following passage:—

"Up to the present time, no cotton mill has been erected in Egypt, but considerable quantities of yarn are woven into cloth by the natives by means of primitive hand looms. In order to erect the necessary machinery for a mill, formal authority must be obtained from the Egyptian Government. The necessary Concession or Act of Authorization was granted by the Ministry of Public Works of the Egyptian Government in 1893, and duly published in the "Official Gazette," and will be transferred to the Company when the requisite formalities have been complied with.

"This Authorization or Concession contains no stipulation as to the payment of duties on the yarns and goods manufactured, while there is a duty imposed on all such goods imported into Egypt equal to 8 per cent. upon their value, and there is reason to believe that no other Authorization for the erection of a cotton mill will be granted which does not provide for the articles produced being placed, in every respect, on the same footing as imported goods."

I may mention incidentally, as regards the last sentence in this prospectus, that the statement that no Authorization for the erection of a cotton mill would be granted which did not provide for the articles produced being placed in every respect on the same footing as imported goods, was quite correct. On the other hand, the inference,

which might perhaps not unnaturally be drawn from the statement, to the effect that this Company would enjoy a monopoly of protection, would, under any circumstances, have been erroneous. If, for whatsoever reason, no excise duty had been imposed on the articles manufactured by this particular Company, a similar treatment would, of course, have been accorded to all other cotton-milling Companies.

This, however, is not the main point at issue.

In deciding to follow the precedent set by the Government of India, of placing home-made and imported cotton on exactly the same footing, the Egyptian Government acted with my full concurrence and support. I do not consider that, in Egyptian interests, it would be at all desirable to imperil the considerable revenue derived from the customs duties on cotton goods by the creation of an industry which would very probably have had to depend mainly on protection for its existence. I regret in this matter to have found myself, so far as I can gather, out of harmony with a body of local opinion for which I entertain a sincere regard. The matter is, I need hardly say, one on which very diverse opinions may reasonably be held. I do not propose to enter into a discussion on the economic aspects of the question. The arguments employed have, for the most part, been those usually put forward by the advocates respectively of free trade and protection. To free traders the action taken by the Egyptian Government requires no defence. I fear that nothing I can say will be likely to convince confirmed protectionists.

Whilst in Egypt the measure now under discussion has been adversely criticised by protectionists, in England the Egyptian Government has been accused of acting in a manner injurious to British interests. This argument needs but little comment. The decision of the Egyptian Government was based solely on what it considered, rightly in my opinion, to be in the true interests of Egypt. Nevertheless, there cannot be a doubt that, incidentally, European—in this case mainly British—interests would suffer from the adoption of a protectionist policy in Egypt.

I have only to add that by a recent decision of the Court of Appeal, which reversed the decision of the Court of First Instance, the legality of the action taken by the Egyptian Government has been placed beyond all manner of doubt. Whatever may be thought of the economic aspects of this question, there can be no doubt that, from a strictly legal point of view, the Egyptian Government has throughout stood on very strong ground. Nevertheless, the satisfactory result which has been obtained is possibly, in no small degree, due to the clear and powerful manner in which the Government case was put before the Court by M. Rocca Serra.

I fear that the pecuniary interests of the small body of shareholders in the Egyptian Cotton Mills Company will be adversely affected by the recent decision. This is greatly to be regretted, as many were not improbably in ignorance of the risks they were running. So far as Egyptian investors are concerned, I take this opportunity of repeating the warning I have given on many occasions, and notably in my Report for the year 1899 ("Egypt No. 1" of 1900, p. 32), when I said that Egyptian investors would do well to "carefully examine for themselves, with the aid of competent friends, the merits of each special proposal, whether it be put forward by Europeans or by their own countrymen."

Education (General).

For a long time past—indeed, ever since the days of Mehemet Ali—attempts have been made to provide for the instruction of the people of Egypt. The efforts of those who guided the reforms in this connection were always well intentioned, but they were not unfrequently spasmodic and misdirected. The fringe of various educational questions was from time to time touched, but it cannot be said that anything approaching to a sound and feasible general educational policy was conceived; at all events, if conceived, it was certainly not executed, for, apart from the withering influence of bankruptcy, which fell on the country in the days of Ismaïl Pasha, the frequent changes of personnel rendered any continuity of policy or administration impossible.

Of late years the aim of the Government has been twofold. In the first place, it has wished to spread as widely as possible, amongst both the male and female population, a simple form of education, consisting of an elementary knowledge of the Arabic language and of arithmetic. In the second place, it has wished to form a highly educated class suitable for the requirements of the Government service.

I shall presently show, in some detail, what progress is being made through the agency of village schools towards the attainment of the first of these two objects; and I shall allude more specifically to the conditions of the particular schools and colleges which form a necessary adjunct to the attainment of the second object. For the moment, however, I wish only to allude to an important step taken last year with a view to removing certain defects which, as experience had proved, existed in the general educational policy of the Government, as previously practised.

It was found that of late years the number of candidates who presented themselves for the secondary certificate examination has been steadily decreasing. Only 240 candidates presented themselves for examination in 1901, as compared to 272 in 1900 and 287 in 1899. On the other hand, in spite of the examination fee having been three times raised, the number of candidates for the primary certificate examination rose from 1,560 in 1899, to 1,753 in 1900, and again to 1,915 in 1901.

From a consideration of these figures, it was abundantly clear that many Egyptian parents regarded the attainment of the primary education certificate as the final aim of education.

The country in general would inevitably suffer by a continuance of this condition of affairs, for, in the absence of a sufficient number of young Egyptians who have obtained the secondary certificate, the Government would necessarily be obliged to fall back, in appointing to the Civil Service, on those who have only obtained the primary certificate. Indeed, the diminution in the number of candidates at the secondary certificate examination may be attributed to the regulation, which placed the primary certificate on the same footing as the secondary certificate as qualifying for appointments in the Government service. The secondary certificate, like the primary certificate, admitted only to the lower division of the Civil Service, and the primary certificate sufficed for promotion from the lower to the higher division. Young Egyptians, who were not specially attracted to professional careers, preferred to find any opening in the lower division of the Government service immediately on obtaining the primary certificate rather than to follow the long, arduous, and relatively expensive course of study in the secondary schools and higher colleges.

It cannot, moreover, be doubted that many pupils have heretofore entered the primary schools whose parents could not afford the additional expense involved in continuing a secondary course of education. I do not doubt that in a great many cases it would be far more in the interests both of the boys themselves and of their country if, instead of attending the primary schools with a view to obtaining some subordinate Government employment, they were sent to the village schools, with a view eventually to gaining an honourable and useful living as artizans, &c. The technical schools about to be instituted, to which I will presently allude more fully, will, I trust, prove of special service to this class.

A two-fold remedy has now been applied.

In the first place, the fees in the higher primary schools have been raised to £E. 5 a-year for day pupils, with a corresponding increase in the case of boarders.

In the second place, it has been decided that, for the future, candidates appointed to Government employment with only the primary certificate shall not be eligible for posts carrying with them a salary of more than £E. 10 a-month.

Both of these charges are, I venture to think, thoroughly sound in principle. I hope and believe that they will prove of benefit to the cause of Egyptian education generally.

Now that the primary certificate examination is the main avenue to Government employment, it is of some importance to watch in what proportion the different communities of the population are represented among the successful candidates. Of those successful at the examination last year, 483 were Moslems, 269 Christians, of whom 231 were Copts, and 5 Jews. It thus appears that, although 93 per cent. of the Egyptian population are Moslems, only 63 per cent. of those who may be taken to represent the class from which the public service can be recruited, are of that creed. This, I need hardly say, does not arise from any preferential policy in favour of Copts; the large majority of the pupils in attendance at the Government schools are, in fact, Mahommedans. It results from the greater interest and activity shown by the Coptic community in the promotion of the education of their children, and from the greater alertness and perseverance which the Copts, as a class, seem to display. It is highly desirable that Mahommedan activity in educational matters should be still further stimulated.

It may be of some interest to state what have been the after-careers of the 895

students who, since June 1887, have obtained the secondary certificate. This information is given below:—

Continuing their education either in the Egyptian Government higher colleges or in private colleges in Egypt or abroad	264
In Government employment	407
In private employment	142
Unemployed	39
Dead	30
Unknown	13
Total	895

These figures render it clear that, for the time being at all events, a young Egyptian who obtains a secondary certificate can readily find employment. In fact, the demand is at present in excess of the supply.

Female Education.

The rapidity with which the number of girls in the schools brought under the control of the Public Instruction Department has increased of late years is still maintained in a remarkable degree. Taking into account all classes of schools belonging to the Egyptian Government, or inspected by the Public Instruction Department, the total number of institutions at which girls were in attendance last year was 468, with 3,279 girls, as against 271, with 2,050 girls, in 1900.

The number in attendance at the two higher primary girls' schools of the Egyptian Government last December was practically the same as in 1900, but an improvement of 5 per cent. is to be noted in the number of paying pupils. This improvement, though slight, proves that, in the case of girls, some parents are beginning to appreciate the value of education. Last year, for the second time in the history of the primary certificate examination, girls presented themselves, there being 15 girl candidates, in addition to 1,900 boy candidates. Of the girl candidates, 13 (6 professing English and 7 French as their foreign language) came from the two higher primary schools of the Egyptian Government; 7 Egyptian girls—5 English-speaking and 2 French-speaking—obtained the primary education certificate.

The amount of the grant-in-aid given to the village schools ("kuttabs") is calculated on the average attendance. With a view to affording some special encouragement to female education, the attendance of one girl is counted as equivalent to that of two boys. This differentiation of the grant-in-aid in favour of girls has already had an excellent effect in increasing the number of girls in attendance at the "kuttabs."

Village Schools ("Kuttabs").

There are some 10,000 of these schools scattered over the whole country, and attended by about 200,000 children, but for the most part they are of little educational value. As a rule, they are kept by poor men, who earn a living mainly as hired reciters of the Koran, The schools are often housed in ill-lighted and unsanitary premises. The teachers are generally illiterate; many of them are blind; they frequently absent themselves from their duties. The teaching is purely by rote, and is in most cases limited to learning the Koran by heart.

An endeavour to build up an efficient system of popular education upon such elements was certainly not promising. But it was the only practicable plan. To establish small Government schools in every village and quarter was, and is, beyond the resources at the disposal of the Government; neither is it at all certain that such schools, even were their establishment possible, would secure as firm a footing as the indigenous institutions. It was, therefore, determined that some tentative efforts should be made to improve the schools already in existence.

In 1897, in pursuance of this policy, the experiment of trying to bring a number of independent "kuttabs" voluntarily under Departmental supervision, by means of a simple system of grants-in-aid, was initiated. The award of these grants was made dependent upon instruction being given daily in reading, writing, and the four rules of arithmetic, and upon the school placing itself under Departmental supervision and

being favourably reported upon by the Government Inspector. The number of private "kuttabs" under Government inspection has risen from 301 in 1898 to 925 in 1901, and the total amount awarded in grants-in-aid from £E. 495 to £E. 2,138.

The efforts of the Department of Public Instruction have been so far directed, not so much to testing the exact state of efficiency of the schools, as to helping the teachers to improve them and to interesting the people in their welfare. The number of teachers brought under supervision has increased from 499 (of whom 9 were women) in 1898, to 1,364 (of whom 12 were women) in 1901. The number of pupils has increased during the same period from 2,534 (of whom 398 were girls) to 26,831 (of whom 2,140 were girls).

It cannot, I think, be doubted that a very general interest has been awakened in these schools. One danger, which was to some extent to be feared, has, I hope and believe, been averted. This danger consisted in the risk that native public opinion would condemn reform in these time-honoured institutions, on the ground that the introduction of secular education might diminish the value of religious teaching. So far as I can gather, the groundlessness of this apprehension is becoming daily more and more recognized.

In addition to the 925 independent "kuttabs" under supervision, the Public Instruction Department had under its direct control, during the past year, 87 "kuttabs," with a staff of 146 male teachers and 5 female teachers, and attended by 3,771 boys and 759 girls. 71 of these Government "kuttabs" are in Cairo, and 16 in the provinces.

A great improvement has been effected in the teaching staff of these schools. In the fifty-eight "kuttabs" which have been under the management of the Public Instruction Department for some twelve years, practically all the head teachers, and four-fifths of the assistants have passed the Departmental examination for teachers in "kuttabs," and similar progress may be hoped for in the schools which have more recently come under the Department. The improvement in the teaching staff has been reflected in a marked degree in the tone and discipline of the schools, and in the work and attainments of the scholars. In spite of the serious defects in the buildings and their equipment, these "kuttabs" are in all respects superior to the private "kuttabs" of the country. A child in attendance at any one of the former, besides receiving the usual instruction in the Koran and the principles of Islam, now obtains a good vernacular primary education. Twenty-three of the pupils in these schools presented themselves during the past year for the professional examination for assistant teachers in "kuttabs."

The additional money which has now been placed at the disposal of the Ministry of Public Instruction has enabled a decided advance to be made in the direction of improving and extending elementary education. The expenditure on "kuttabs," both Government and private, for the current year has been fixed at £E. 11,000. The money will be spent mainly on providing a competent staff of Inspectors, and on increasing the sums available for subventions to schools which are held to come up to the requisite standard of efficiency.

On the whole, it may be said that a fair commencement has been made in the direction of improving the village schools.

The main requirements of the immediate future are (1) an improvement in the attainments of the teaching staff; (2) the provision of suitable buildings.

Training Colleges for Teachers.

There is a pressing need in the higher primary schools throughout Egypt for trained teachers. The difficulty of meeting the demand has become greater owing to the transfer, last year, of trained teachers from the schools and "kuttabs" of the Public Instruction Department to the Soudan Education Department, and in consequence of the introduction, last October, of the teaching of English in the class of the first year in the higher primary schools. The numbers in the training colleges for teachers are quite inadequate to the needs of the country, neither do they show any promise of increase.

There are three training colleges in Egypt, namely, the Nasrieh for male teachers of Arabic; the Tewfikieh, for male teachers of English, &c.; and the Sanieh, for female teachers of both Arabic and English. This latter was only instituted in October 1900.

Only eleven male students obtained diplomas at the examination in June 1901. There were eighty-six male and six female students under instruction last December.

School of Law.

The total attendance of 119 (38 in the English and 81 in the French section) at the School of Law consists exclusively of paying students. Mr. McIlwraith, who has been Presiding Examiner in the school for four successive years, reports as follows:—

"I had the honour, as usual, of presiding at the examinations of the School of Law on the 7th June last, and though I found that this time the candidates of the third year were not, in general, very satisfactory, those of the fourth year—who had, therefore, completed their curriculum—attained for the most part a very fair level of excellence."

Mr. McIlwraith adds: "The English section has now entered upon its third year, and is in a flourishing condition. The lectures in Civil Law and Civil Procedure are given by two Judges of the Court of Appeal (Messrs. Willmore and Halton), and their long experience in the Courts enables them to give a practical turn to their teaching which cannot fail to be of the greatest value to the students; while Mr. Sheldon Amos has proved himself an efficient and energetic auxiliary to the English section, both as a capable lecturer on political economy, and by rendering valuable assistance in the organization and supervision of the debates which now take place at the school."

Technical Education.

I have, on several recent occasions, alluded publicly to the great importance of doing all that is possible to encourage technical education in Egypt. The great and increasing demand for skilled native labour is far in excess of the supply. The growing requirements of the Railway Administration, the establishment of light railways, the introduction of electric tramways, the extension of irrigation, the more frequent use of machinery in agriculture, the development of the Soudan, the increase in building activity, the growth of private enterprise in manufactures and trade—in short, every step that the country takes in advance obviously leads to new demands for skilled native labour. The scope for its employment is thus becoming greatly extended. Any movement which tends to divert the natural inclinations of Egyptians from an office career to skilled industry is, therefore, calculated not only to benefit those who come under its influence, but to aid materially in furthering the development of the country.

I am glad to be able to record that a remarkable impulse has been given to technical instruction during the past year.

In the first place, about £E. 6,000 has, on private initiative, been subscribed for the construction of a technical school at Alexandria. I welcome this movement very cordially, not only by reason of the intrinsic usefulness of the institution, which it is intended to found, but also because I hope it may be regarded as some indication that the Egyptians are beginning to take some real practical interest in the management of their own affairs.

In a country ruled as Egypt has been ruled in the past, it is but natural that undue reliance should be placed in Government initiative and action. Further, in a country where the reforming and progressive impulse is almost wholly supplied by an alien race, it is but natural and inevitable that, in spite of all appearances, a slight, but, nevertheless, very pernicious tendency should exist to regard the action of the Government as somewhat out of harmony with legitimate native aspirations, if not wholly antagonistic to them. There cannot, however, be a greater error. Much of the present prosperity of Egypt is due to the fact that, for several years past, mutual confidence has been established between the Egyptian Ministers and their British advisers and subordinates, who have thus co-operated heartily together. It is greatly to be desired that the circle in which this mutual confidence exists should be extended, and that the co-operation of other Egyptians who hold important, albeit often unofficial, positions, should be secured. The existing régime, which cannot, without great injury to the interests of the vast majority of the Egyptians, undergo any serious or radical change for a long time to come, affords ample scope, not only for Egyptian co-operation, but also for the exercise of Egyptian initiative. The move-

ment in favour of technical instruction is a case in point. I trust that it may serve as a precedent for analogous movements in other directions.

I have no wish whatever to interfere or to advise as to the special method which should be adopted in connection with the management of the school which is about to be founded at Alexandria. But I venture to express an earnest hope that great care will be exercised in order to insure its success. A word of warning on this subject will perhaps not be taken amiss, for, holding the views which I have enunciated above, I must confess to a feeling of some disappointment at the results occasionally obtained in connection with somewhat similar experiments. The management of the Fayoum Railway is a case in point. A failure of this sort is, of course, no reason for serious discouragement as regards the future, but it points to the necessity of care and deliberation in the initiatory stages of any undertaking at all similar in character.

In addition to the school at Alexandria, to which allusion is made above, the Government has decided to expend £E. 15,000 in the construction of a model workshop in Cairo for the training of artisans in the different trades, such as iron-work, carpentry, leather-work, &c. It is proposed to confine the training entirely to the children of the poorer classes, and, if possible, to those of the artisan class. The course of instruction will be gratis. The shops are designed to afford instruction for 200 boys.

The Boulac Technical School, which has been in existence for some years, affords a higher class of education than those schools which are about to be founded at Cairo and Alexandria. It aims not only at giving the pupils who pass through it a sound workshop training as mechanics, smiths, founders, joiners, decorative painters, engravers, or telegraphists, but also seeks to give them further instruction in the arts and sciences, which underlie the various crafts they will eventually ply. Each pupil spends at least thirty hours per week in the workshop, and, except in the case of the telegraphists, six hours at the drawing bench. The demand for ex-pupils of this school is always in excess of the supply. All the seventy-eight pupils who completed their course of study last year immediately obtained employment at salaries ranging from £E. 3 to £E. 10 per month. Among them were three Turks sent by His Imperial Majesty the Sultan to complete their studies in the school; these have returned to take up employment in the "École des Arts et Métiers" at Constantinople. Of the others, fifty-three found work in the Railway and Telegraphs Administration, ten in the Public Works Department, seven in other Departments of the Egyptian Government, one under the Soudan Government, and four in private engineering works. The school has outgrown its present accommodation: new premises are required.

The number of pupils in the Mansourah Technical School being insufficient to warrant the maintenance of an establishment on the Boulac model, the Public Instruction Department last year transformed it into an industrial school for carpentry and joinery. It is too early yet to say what effect the change will eventually have on the fortunes of the school, but it is believed that, by attracting a larger number of pupils, it will widen its sphere of usefulness.

School of Agriculture.

In October last, the beginning of the school year, there were twenty-six applicants for admission to the School of Agriculture. Eighteen new pupils were admitted, of whom eight were Europeans. Of the total number of pupils at present in attendance, 41 per cent. are Europeans; the number of Europeans applying for admission to this school increases year by year, in spite of the fact that the school fees which they have to pay were raised a year ago.

Thirteen pupils obtained the diploma of the school at the final examination in June 1901. Ten of these have been employed in various private capacities. One of the pupils, who obtained the school diploma in June 1900, has just been selected for a post in the Soudan Civil Service as agriculturist. Two other pupils of the school were appointed to that service in 1899.

Good progress is now being made with the new school buildings, and probably by February of next year the school will be housed in a building specially designed for educational purposes, and properly equipped with chemical, physical, and botanical laboratories.

There is no useful or trustworthy book in any language on Egyptian agriculture, and none at all in the English language. The school authorities have undertaken to remedy this defect in the course of next year by bringing out a book which

will be the work of experts working in collaboration, and qualified for this important task, not only by their scientific attainments, but also by their practical familiarity with the special conditions of Egyptian agriculture.

School of Engineering.

I have, on previous occasions, dwelt on the defects of this institution. It has, of late, somewhat improved. Mr. Webb, the Director-General of Reservoirs, who presided at the annual examination last June, reports: "That considerable improvement both in the course of studies pursued and the standard of technical education acquired by the students, has taken place during the past two or three years, is apparent to any one who has read the reports of former examiners, and known the students who formerly passed out of the school into the Public Works Department."

At the same time the condition of affairs is still far from satisfactory. The school buildings are bad, but the main reform required at this institution is, in Mr. Webb's words, that some "radical changes should be made in the teaching staff of the school."

The number of new entries in the Polytechnic School last October was smaller than in any other of the professional colleges. Ten students were successful at the diploma examination last June, and have all obtained Government employment—six in the Irrigation Department, and four in the State Railways Administration at a salary of £ E. 8 per month with allowances. The demand for native engineers in the Public Works Department and in the Railway Administration, as well as in private firms, is far in excess of the supply. It is not satisfactory that the annual output of the only civil engineering school in Egypt should show so little promise of becoming equal to the pressing needs of the country.

School of Medicine.

The total number of students attending the school of medicine is sixty-eight. For the first time in the history of the school all the students who joined in October paid the full school fees.

Under the old system, when students were paid, a number of young men joined the school with the sole object of obtaining the money whilst waiting for something else to do, or in the hope that they would be paid whether they worked or not. The unanimous opinion of the professors of the school is that the class of students is steadily improving. There is now very little trouble with students who refuse to work, while formerly the difficulty was to induce a small minority to take their medical education seriously.

The number of diplomas granted during the year 1901 was eleven. The demand for medical men being still somewhat greater than the supply, these young men have all obtained employment in the Government service. As, however, there is every probability of an increased supply of qualified young men during the next few years, and as the supply has now almost equalled the demand, it is to be hoped that, within the next two years or so, it may be possible to induce freshly qualified men to remain at the school for a post-graduate year of study. One of the main objects in view in reorganizing the School of Medicine was to introduce a system which would, by force of circumstances or, in other words, by creating a sufficient supply of medical men, oblige those who wish to succeed in their profession to carry on their studies for a longer period.

A great want experienced until lately by all engaged in original medical and allied scientific work in this country, was the need for a library containing books of reference. The library of the School of Medicine contained a fair number of books, but they were mostly antiquated works. This defect has now been in some measure remedied. During the last few years carefully-selected works in all languages have been acquired. The total number of books in the school library is now over 5,000.

On the whole it may be said that the reforms instituted in this school since 1897, when Dr. Cooper Perry reported on the measures of reorganization required, have proved thoroughly successful.

Veterinary School.

I mentioned in my last annual Report that a school for the training of veterinary surgeons was much required in Egypt. Such a school has now been established. It accommodates eighteen students. Forty-eight young men underwent a competitive examination to enable the authorities to decide who should be admitted. The students will pass through a course of instruction, extending over three years, before receiving diplomas. The instruction will be made as practical as possible.

Agricultural Society.

During the past year the number of members of the Society has been fully maintained; the amount received in subscriptions exceeded that of any previous year.

The Annual Agricultural Show was held at Cairo in the month of January, and proved a decided success. The exhibits of machinery, animals and produce, showed an advance in comparison with previous years. Practical trials under ordinary conditions were held of pumps and ploughs. These latter trials show that serious and successful attempts are being made to introduce improved ploughs, suitable to the agricultural conditions of the country.

For the first time, a provincial show was held at Tantah. It was confined entirely to animals, and was very successful. It is proposed to extend the system of local shows.

The question of the improvement of local breeds of cattle has been occupying the attention of the Society. Owing to the considerable rise in the price of working animals it is thought that, by extending and encouraging breeding, great benefit will result, not only in increasing the number of cattle in the country, but also in improving their quality. With this aim in view the Society intends, as soon as its funds permit, to establish good bulls in the different districts, and to place them at the disposal of the agriculturists for breeding purposes.

The Society has now two experimental farms completely stocked; one at Ghizeh, of 100 acres, and one at Mit-el-Diba, in the Gharbieh province, of 220 acres. During the past year farm buildings have been erected at the latter station. The results of experiments conducted by the Society have led to a very considerable demand for chemical manures. With a view to encouraging the use of such manures, the Society decided to import considerable quantities, and to place them at the disposal of members at cost price. Orders have already been given to the extent of 6,000*l.*, and there is every prospect of a much greater quantity being demanded in the near future.

For some while past the quality of Egyptian cotton has gradually deteriorated. This is caused chiefly by the use of mixed seed. The Society has, during the past year, distributed 40,000 bushels of selected seed to small cultivators. This has been of considerable benefit, but it is felt that other steps are necessary. The seed of the different varieties of cotton cultivated in Lower Egypt are not distinguishable by their appearance; consequently, the only means of arriving at pure seed is to cultivate certain areas with the best seed obtainable, and, during growth, to dig out those plants which are not of the variety sown. The Society has requested certain well-known and successful growers of cotton, as well as the State Domains, to proceed on this plan. It is hoped that pure seed will thus be obtainable during the next season for a large area of land, and that the quantity will be still further increased in future seasons. In view also of the important extension of cotton cultivation in Upper Egypt, the Daira Sanieh Administration has consented to conduct a similar experiment on 70 acres of land in that district.

Another question which is occupying the attention of the Society is a banana disease, which is causing great damage in the country, more especially in the neighbourhood of Alexandria, where large areas are planted with this fruit. From the evidence at present collected it appears that the disease is caused by large numbers of Nematode worms. The matter is being studied, and attempts will be made to combat the pest.

The journal of the Society, which is printed in three languages, continues to be much appreciated, and has an extensive circulation.

The Government has advanced to the Society a sum of £ E. 5,000, for the

purpose of providing more suitable accommodation for animals exhibited at the Cairo Agricultural Show, in addition to machinery sheds in which to place the machinery and implements whilst on view.

Horticultural Society.

During the past year three shows, under the auspices of the Khedivial Horticultural Society, have been held, viz., the General Horticultural Show in March, a Chrysanthemum Show in November, and a Rose Show in December. The latter show was a first attempt, and the result was sufficiently encouraging to justify the Society in deciding on its repetition.

The results of the efforts of the Society are apparent in the introduction of many new varieties of flowers, and a desire on the part of amateur and professional gardeners to improve existing varieties.

The improvement in the cultivation of vegetables amongst the Egyptians is also very apparent, the quality of those exhibited at the Society's Show attaining a higher standard every year.

Prevention of Cruelty to Animals.

I regret to say that during the past year the Society for the Prevention of Cruelty to Animals lost the services of their Honorary Secretary, Mr. T. B. Hohler, under whose auspices great progress was made in the furtherance of the objects for which the Society was created. On Mr. Hohler's departure, his place was taken by Mr. Horace Rumbold.

I must refer those interested in this subject to Mr. Rumbold's annual report for detailed information as to the financial position, and as to the work performed by the Society.

I need only here state that the efforts of the Society have certainly resulted in a great improvement in the condition of the donkeys and cab-horses employed in the large towns; that efforts are now being made to extend the operations of the Society to Luxor and other provincial towns; and that a law has been framed, and will, it is hoped, shortly be passed, to put a stop to the cruelty with which animals not employed for domestic purposes are often treated in this country.

Zoological Gardens.

These gardens, which have heretofore been under the superintendence of the Ministry of Finance, have now been handed over to the Public Works Department.

The elephant-house, commenced in 1900, was finished in March 1901. A lion-house, as well as a large aviary for African birds, were constructed during the past year.

On the 6th October, 1901, 770 mammals, birds, and reptiles, representing 179 species, were on exhibition, as compared to 670, of 169 species, on the same date in 1900.

52,711 persons visited the gardens during 1901, as compared to 44,296 during 1900. The gate-money amounted to £ E. 1,114 in the former, as compared to £ E. 976 in the latter year.

Students and schools are now admitted free.

Nile Fish Survey.

The work of collecting has now been almost completed. It is certain that when the fish caught have all been examined, it will be found that a considerable number of new species have been discovered. So far, some thirteen new species, most of them coming from the White Nile, have been described by Mr. Boulenger, of the British Museum. The results of the collecting in that river were so satisfactory that, after a short trip up the Blue Nile, Mr. Loat has returned to the White Nile, and is now working at the sudd.

Satisfactory progress has been made with the drawing of the plates, but a considerable time must elapse, after the completion of the collecting, before the work undertaken by Mr. Boulenger can be published.

The Antiquities Department (Egyptology).

Under the able direction of M. Maspero, this service can show improvement in all its branches.

At the beginning of 1901 a special credit of £ E. 578 was granted by the Ministry of Finance, in order to enable the inspectors to travel more continuously. The results have been satisfactory, as the monuments are now under far better supervision than was formerly the case.

M. Maspero reports that he has observed a steady deterioration in certain of the older monuments, necessitating immediate repairs. This deterioration is chiefly due to the natural process of decay, but in some cases it is due to the fact of the earth covering the monuments having been removed, without repairs having simultaneously been taken in hand. Amongst the monuments which have suffered thus, he instances the temples at Abydos, Luxor, Gournah, and Edfou. This last is in a dangerous state, and measures are now in progress for its speedy consolidation.

At the Temple of Abou Simbel, M. Maspero deplores the habit of tourists of climbing on to the knees of the Colossi, with a view to taking photographs. This has caused the existing cracks to widen, and he fears that large fragments will shortly fall.

Repairs were undertaken upon many of the monuments, and a considerable number have now been provided with walls and gates.

The tomb of Amenhotep II, at Thebes, was lately broken into by robbers, who burst the iron gate, and searched the Royal mummy in the hope of finding treasure. Not finding this, they contented themselves with removing the wooden boat, which was placed in the outer chamber. Fortunately, the mummy suffered little harm. It seems incredible that such an entry should have been possible without the connivance of the armed guardians permanently stationed at this tomb. The matter is at present under inquiry by the police, and several persons have been arrested on suspicion.

The excavations are, as usual, mostly in the hands of private Societies or of individuals, who share their finds with the Museum Service. The Department itself carried out excavations at a cost of about £ E. 1,660 in 1901. 584 new objects have been added to the collection, some of them of much interest and value. The tourist fund brought in £ E. 3,213 in 1901, the Salle des Ventes, £ E. 913, and the sale of "sebakh" (refuse on the sites of ancient towns and villages) £ E. 525.

£ E. 248 was expended on additions to the Museum library.

At Karnak the whole of the fallen columns have been removed, and the foundations levelled and cleared. An experiment on a small scale is to be tried in the course of this year by rebuilding some of these columns upon a new and better foundation. In all £ E. 1,992 was spent upon repairs at Karnak in 1901. Many important statues were discovered during the excavations.

A project regulating the law for removing "sebakh" has been approved by the Government, and is now in force. Some modification in the law regulating the sale and transport of antiquities is at present under the consideration of the Government lawyers.

Good progress was made during the past year in the preparation of the catalogue of the Museum. Two volumes have been published, viz., those on Ostraca and on metal vases. Two others (on Coptic monuments and objects discovered by M. Loret at certain sites) will very shortly be published. Two more (stone vases and stelæ of Middle Egypt) are well advanced towards publication; and lastly, the proofs of three more (tombs of the Middle Empire, Græco-Roman stelæ, and votive tablets) have been sent to their authors for correction.

The Philæ Temples.

The construction of the Nile Reservoir at Assouan will involve the annual submersion of a portion of the temples situated upon the Island of Philæ. This is

much to be regretted, but it was unavoidable, as the Assouan Cataract presented such advantages over every other site as to render its selection imperative. The Egyptian Government decided, in consequence, to take all possible steps to preserve a record of these monuments as they existed prior to the rise in the water levels, and also to lessen any danger which might arise from the annual inundation. With the first object in view, a volume, prepared by Captain Lyons, R.E., was published in 1897. It gives a full account of the temples and other structures on the island, and is furnished with photographs and detailed drawings of the buildings as they then stood.

In order to attain the second object, a careful study of the foundations was made during the summer of 1901. Early in April a special staff was engaged for the purpose. Shafts were sunk alongside the foundations of the different buildings, and the nature of the soil and the depth of the rock were examined and ascertained. This work was completed, at a cost of £ E. 1,000, before the arrival of the flood, and complete drawings and estimates were prepared.

After a close study of the question, and acting upon the advice of Sir Benjamin Baker, the Government decided to underpin the foundations, the method employed differing in each case, according to the nature of the foundations.

Briefly, the following plan has been adopted. Wherever cross walls exist, upon which to support them, steel girders are introduced under each column and wall. These girders are then built over with masonry, and, finally, cement grout is poured in to fill up all interstices. Where girders cannot be employed, the space between the bottom of the existing foundations and the permanent saturation level is filled up with masonry, laid in cement. As the foundations of the great Temple of Isis were proved by Captain Lyons to descend everywhere to the solid rock, it was decided to limit the operations to the consolidation of the following structures:—

1. The eastern colonnade and the adjoining temples.
2. The Temple of Nectanebo.
3. The western colonnade.
4. The Temple of Isis Usret.
5. The kiosk, commonly known as Pharoah's Bed.

The estimates for the above works amounted to £ E. 22,000, including £ E. 3,000 for repairs to the superstructure. This sum has been granted by the Commissioners of the Caisse de la Dette.

In November 1901, a special staff of experts arrived and commenced work. By the end of the year the whole of the eastern colonnade had been underpinned; as also the foundations of the Temple of Nectanebo. In addition to this, nearly two-thirds of the western colonnade were completed, and good progress was made with the foundations of the kiosk.

The expenditure for 1901, excluding the preliminary examination, was only £ E. 1,400, but this does not include the cost of materials and stores employed.

Very great credit is due to Dr. Ball and to Mr. M. Talbot for the excellent work which they have done in this connection. The task before them is extremely difficult and delicate, but so far they have been remarkably successful. Mr. Fitzmaurice, the Resident Engineer of the Assouan dam, was in charge both of the preliminary work and of the preparation of the estimates, and it is largely due to his energy that such satisfactory progress has been made.

It is expected that the work will be entirely completed by the end of May 1902.

I have dwelt at some little length on this matter, as it has, from time to time, formed the subject of some controversy. Those responsible for the Government of Egypt have been attacked from two opposite and antagonistic quarters, namely, by the engineers for paying too much attention to the artists and archæologists, and by the latter for paying too much attention to the engineers. My own opinion is that to have deprived the people of Egypt, by reason of the artistic and archæological objections, of the enormous and unquestionable benefits which they will derive from the construction of the Assouan dam, would have been perfectly unjustifiable. On the other hand, I readily admit that all that is possible, consistent with the attainment of the main object in view, should be done to meet the wishes of those who represent the archæological and artistic aspects of the question. This, in fact, is the course which has been adopted.

Preservation of Arab and Coptic Monuments.

The Committee, charged with the preservation of Arab and Coptic monuments, expended £ E. 7,300 last year. The expenditure was distributed over nine mosques and two tombs.

A special grant of £ E. 20,000 was made by the Caisse de la Dette some few years ago, to aid in the work of preservation and restoration. The unexpended balance of this grant now amounts to £ E. 2,565, of which £ E. 700 for Arab, and the balance of £ E. 1,865 for Coptic monuments. The Committee propose shortly to apply to the Government for a fresh grant.

Sir William Garstin writes:

"It will be observed that very little has as yet been spent of the credit of £ E. 2,000 allotted to the repair and preservation of Coptic monuments. There are many difficulties in the way of progress in this particular branch of the duties of the Committee. The Coptic Community, as a whole, and particularly the Patriarch, still appear to view with disfavour any attempts of the Committee to repair these monuments, and considerable delay occurs whenever a proposal is made or an estimate submitted."

The attitude of the Coptic authorities in connection with this matter is greatly to be regretted.

Before leaving this subject I may mention that an estimate is being prepared of the probable cost of restoring the important mosque of Sultan Hassan. Great care will have to be exercised in dealing with this matter.

Soldiers' Club.

An experiment, under somewhat novel conditions, has recently been tried in Cairo, with the twofold object of enlivening the ordinary life of the British soldiers in garrison, and of providing an antidote against drunkenness. Soldiers' clubs exist, I believe, elsewhere, but the peculiarity of the club recently established in Cairo is that it differs but very slightly from clubs such as those of which officers, or others in a similar position in society, are members. The only important differences, in fact, are that no election is necessary and that members are not called upon to pay any subscriptions.

Without going into the details of the rules, I may say that practically every one wearing the King's uniform may make use of the club without paying any subscription. An officer is President of the club, and the finances are placed under the supervision of a Committee of officers, but the detailed management is entirely in the hands of the non-commissioned officers and men themselves. They are responsible for the good behaviour and orderly conduct of the members. The only penalty imposed for misconduct is that the offending member may be precluded from using the club, either permanently or for a fixed period. I should add that alcoholic drinks are supplied in moderation.

The spirit in which this institution has been created may best be explained by quoting the words addressed by Major-General Talbot to the members of the club, when it was first opened on the 22nd December, 1900. "This club," he said, "is going to be started on the principle of trust and confidence in the British soldier; as much liberty as is possible will be accorded; practically, you will manage the club yourselves; each man will be responsible for the good conduct and behaviour of those using it.

"All wearing Her Majesty's uniform will have a right to use it, and the only condition is that nothing may be done which can dishonour that uniform. It is for you and your comrades to show that my confidence in you is not misplaced. You will have to maintain order and good conduct yourselves, and I rely upon your support and co-operation, for without it the club cannot be a success and cannot continue."

The soldiers belonging to the Cairo garrison have responded to General Talbot's appeal, and have amply justified the confidence which he wisely reposed in them. Colonel Bowden-Smith, the President of the Committee, whose general guidance has been of great assistance to the club, but who interferes very little in the management, writes that the institution has "succeeded beyond all expectations in popularity and financially. There has not been a single case of trouble with any of the members."

The average daily attendance is over 200. On some days, more especially on Saturdays and Sundays, some 300 to 400 men use the club. About 100 meals are served daily. I am informed that since the creation of the club there has been a reduction of no less than 33 per cent. in cases of drunkenness amongst the garrison.

An institution of this nature was very much required in Cairo. Previous to the creation of the club, the soldier, when once outside the barracks, was almost forced to go for amusement or refreshment to one of the numerous bars or public-houses, which abound in the town, where he was but too often supplied with the most poisonous liquor, and exposed to temptations of various kinds. My main object, however, in giving publicity to the facts, is that it seems to me possible that, even in other garrison towns where the special circumstances which prevail in Cairo do not exist, or exist in a less degree, it may be found expedient to try a somewhat similar experiment. I repeat that the special features of the Cairo institution are: (1) management by the soldiers themselves; (2) permission to supply alcoholic drinks in moderation.

I need not in this place enter into the financial details connected with this subject, but the proper authorities would, without doubt, be able to furnish full information on these matters, in case it should be required.

Strikes.

Several strikes have taken place lately at Cairo.

I took the opportunity, in replying to a letter which was addressed to me, last December, by the rollers of cigarettes, to explain the nature of the advice which I had thought it my duty to tender to the Egyptian Government.

"In the first place," I said, "I consider that the Government should maintain a position of strict neutrality between the employers and the workmen, who, provided they conform to the laws of this country, should be left to settle their disputes amongst themselves.

"In the second place, I consider that public order should, at whatsoever cost, be maintained, but that recourse should not be had to any extraordinary measures until the necessity of such measures is clearly shown. I cannot doubt that, in the execution of this policy, the Egyptian Government will receive the full support of the various Consular authorities in cases where any questions of exterritorial right are involved.

"In the third place, I consider that the Government should do all in its power to prevent any illegal acts from being committed with a view to hindering the free liberty of action of any class of workman, or of any individual workman."

At one moment, I may observe, there seemed to be some danger of disturbance, but this was happily averted by the vigorous measures taken by the Egyptian Government, acting in harmony with the Greek Consul-General, whose co-operation was most cordial and, I may add, most valuable. A few Greeks, who had been specially turbulent, were expelled from the country.

Conclusion.

The facts which I have stated in this Report are sufficient to show that the past year was one of steady and normal progress. The Soudan naturally lags behind, neither, in view of the general character of the problem which has to be solved in that country, is it to be anticipated that any very striking results will be speedily obtained. But in Egypt proper it may be said that the foundations, on which the well-being and the material prosperity of a civilized community should rest, have been laid. It is, of course, obvious that, in every Department of the State, further improvements are both necessary and practicable. But these are, for the most part, matters of administrative detail. So far, at all events, as the purely Egyptian portion of the administration is concerned, no radical change of any kind appears to be required. The fiscal system has been placed on a sound footing. The principal irrigation works are either completed, or are approaching completion. Means of locomotion, both by rail and road, have been improved and extended. The institution of slavery is virtually defunct. The corvée has been practically abolished. Although both the judicial system and the organization of the police admit of further improvement, it may be said that law and order everywhere reign supreme. The courbash is no longer

employed as an instrument of government. The army is efficient and well organized. The abuses which existed under the old recruiting system have been swept away. New prisons and reformatories have been built. The treatment of prisoners is in conformity with the principles generally adopted in Europe. The sick man can be nursed in a well-equipped and well-managed hospital. The lunatic is no longer treated like a wild beast. Means have been provided for enabling the peasantry to shake themselves free from the grip of the money-lenders. A very great impulse has been given to education in all its branches. In a word, all the main features of Western civilization have been introduced, with such adaptations as have been necessitated by local requirements. Broadly speaking, it may be said that all that is now required in Egypt is to persevere in the course which has been already traced out, and to gradually introduce into the existing system such improvements as time and experience may show to be necessary.

That system is, indeed, replete with anomalies and theoretical imperfections. Nevertheless, in practice, it has produced good results. It has assured the prosperity of Egypt and the contentment of the vast majority of its inhabitants. Habit and custom are, year by year, contributing to place that prosperity and contentment on a more and more stable basis.

I have, &c.
(Signed) CROMER.

Inclosure 1 in No. 1.

Memorandum by Major Johnstone.

In addition to numerous small orders, contracts have been made during the year for material to the value of over 550,000*l.*, and have been distributed as follows:—

	£
Contracts placed in Great Britain*	342,500
„ „ Belgium*	56,000
„ „ Austria*	50,000
„ „ Germany	49,000
„ „ Egypt	32,000
„ „ Italy*	10,000
„ „ France	8,500
„ „ Turkey*	3,500
Total	551,500

Of the above total, 201,000*l.* is for coal and coke, the whole of which was ordered in Great Britain. Of the balance of 350,500*l.*, contracts to the value of 220,100*l.* were placed on the result of tenders submitted to the Commissioners of the Debt, and 125,000*l.* by the Railway Board. These amounts were distributed as follows:—

	Caisse de la Dette Competitions.	Other Orders.	Total.
	£	£	£
Great Britain	51,600	84,500*	136,100
Germany	47,000	2,000	49,000
Belgium	46,000*	10,000	56,000
Austria	29,000*	4,000	33,000
Egypt	19,500	12,500	32,000
Italy	10,000	Nil.	10,000
France	Nil.	8,500	8,500
Turkey	17,000	3,500*	20,500
Total	220,100	125,000	345,100

* N.B.—In the contracts placed in Great Britain I have included one placed with an Englishman whose office is in Belgium but his works in England. In the contracts placed in Belgium I included one with the "Société Franco-Belge," which is being executed at their Belgian works. Of the contracts in Italy and Turkey a large portion were made with firms in Egypt, but the supplies were specified to be obtained from the countries named.

It will be seen that Great Britain heads the list in every case, but where there is keen international competition, Germany and Belgium run it close. In one case the Commissioners of the Debt allowed us to place a contract for 5,400*l.* in England, without competition, for certain special articles, which makes up the total of 141,500*l.* for Great Britain, and £ E. 350,500 in all. In one competition, the Caisse allowed us to accept a tender from a British firm for about 1,000*l.* worth of material, on account of the excellent quality of the material supplied by it, although there were lower tenders from both British and German firms.

The supplies included in the contracts sanctioned by the Caisse from Austria include locomotives and accessories for carriages and waggons; those from Belgium are exclusively iron-work; those from Germany are iron-work and locomotives; those from Great Britain, rails and other permanent-way material, and a large amount of telegraph material. The only large contracts obtained by Great Britain in international competition were for copper wire, rails, and cast-iron chairs.

It will be seen that France obtained no orders from the Caisse de la Dette, and very few others. Out of the small total which went to France, the greater part was for the supply of Russian oil, refined and mixed in France; the oil was not, however, altogether satisfactory, and a share of the oil contract for 1902 has been given to a British firm.

The results of the contracts placed in the United States of America have been disappointing, and no further contracts have been placed there in 1901.

With regard to locomotives and waggons I have already reported fully, and will only add that the coal-conveyers are beautiful machines, and I trust they will prove successful, and save both time and money; but their coal consumption so far has been more than 50 per cent. above that guaranteed by the contract. The excessive coal consumption of American boilers in this country is puzzling; I think the difference in the intelligence and muscular power of the firemen obtainable in Egypt and in the United States respectively has a great deal to do with it, and there can be no doubt that these factors are largely affected by the climate.

In the case of the contract for American waggons, I mentioned last year that a heavy penalty had been incurred for delay. It is unwise to deal too severely with such cases, as it leads to work being scamped to save time, and my Board decided to remit the greater part of the penalty: as, however, the work was unsatisfactory as well as late, the substantial sum of 2,000*l.* was deducted from the price paid. In the case of the floating crane for Alexandria, also referred to last year, the circumstances were very similar; the work, supplied by a Scotch firm, was not altogether satisfactory,* and the time taken excessive. This the firm attributed to troubles with their workmen, probably with some reason, and, taking this into account, the penalty imposed was comparatively small. In two or three other cases we have imposed fairly heavy penalties for excessive delay, one on an English firm, another on a French, a third on a Belgian. In many other cases, however, we have remitted penalties incurred, partly for the reasons already given, and partly because we are convinced that we should not obtain such favourable tenders if we got the reputation of rigorously exacting penalties for delays. We have, on the other hand, commenced to offer small premiums for punctual delivery. Our German and Hungarian contractors have so far been fairly punctual in their deliveries.

Some British firms find a difficulty in complying with our conditions as to delivery. As a rule, we specify for delivery in good condition at Alexandria, and the final inspection is made there, though the Inspector has orders not to reject work passed by our Inspectors in England without strong reasons. There is a very general desire expressed that the final inspection should be in England, and where the contractor has no agent in Alexandria this is only natural. In some cases it is not practicable, but if any firm likes to quote an alternative price for final inspection and delivery at a British port, we should always be ready to consider it, and arrange for shipment ourselves if practicable. In a good many cases we do so already, and we have recently adopted this system for our coal contracts.

As regards coal, we have tried Yorkshire, American, and Indian coal, and found them to compare very unfavourably with good Monmouthshire coal. We are now experimenting with second class Cardiff coal, which is slightly more expensive than good Monmouth; it is satisfactory, but the trials have not gone far enough to show

* Perhaps I should add that some of the conditions originally laid down for the contract proved impracticable, and part of the delay and dissatisfaction arose from this. It is very desirable that contractors should satisfy themselves that they can fulfil contracts before accepting them, as it is not easy for our engineers to ascertain what is practicable in their workshops, and what is not.

whether it is worth the extra cost. In every case, the pits from which the supplies are to be obtained are specified, and we employ an inspector to examine them. In the case of one pit, we declined to accept coal from it, on the ground that the arrangements for separating the small coal and dust from the large coal were defective; the manager saw me on the subject, and explained that the miners are interested in passing off small coal and dust as good coal, as it affects their wages, and that if he adopted better arrangements he would have a strike among his men; he considered it very hard that he should lose a contract for what was in no way his fault. I have every sympathy with him, but, if miners are so unreasonable, both they and the colliery owners must take the inevitable consequences.

I have naturally had much correspondence on the observations in Lord Cromer's Report of last year as to Belgian locomotive builders. There is at least one Belgian firm which I should class as first-rate, but that firm has not supplied the Egyptian Railways, and if any of the firms who have supplied us are first-rate, they have not done themselves justice in the work they have sent here. At the same time, there is a notable difference in the quality of work supplied by different Belgian makers, and no doubt the bad work received from one or two has helped to prejudice us against the others.

The tendency they have shown to apply to their Diplomatic Agent in Egypt, to protect them against the just consequences of their own bad work, has also created an unfavourable impression on our minds, although it is only fair to say that that gentleman has handled such cases with great tact and in a most conciliatory manner.

(Signed) J. H. L'E. JOHNSTONE.

Cairo, January 30, 1902.

Inclosure 2 in No. 1.

Memorandum by Mr. Pinching respecting the Plague during 1901.

PLAGUE broke out in the town of Zagazig, the capital of the Moudirieh of Sharkieh on the 1st June; it is impossible to say with any certitude how the infection was carried to this town, but in all probability infected grocers' stores from Alexandria or Port Saïd were the cause of it, an argument in favour of this is that the disease first broke out among grocers and their assistants in the Montazan quarter of the town where the railway stores and those of the principal grocers are situated.

The goods were chiefly received from Alexandria and Port Saïd; though a large quantity of soap packed in loose netting was received from Beirout where cases of plague had occurred. Some thousands of sacks of rice during the early part of the year arrived from the bonded warehouse of Alexandria, where many dead rats had been found, some of which had probably died of plague; certain flour mills in Alexandria had dispatched a considerable quantity of flour to Zagazig, and plague occurred later on among the workmen employed in these flour mills.

If the theory is right that Zagazig was infected by goods of this description, though the fact must not be lost sight of that no restriction has been placed on passenger-traffic between Alexandria, Port Saïd, and the interior of the country, in all probability the rats of Zagazig first became infected and were the cause of the spread of the disease among human beings.

Seventy-eight cases of plague in all were reported from Zagazig, and there was a clear history that in thirty of the cases the patients had either handled dead rats or dead rats had been found in their houses. Cases of plague being found in widely different quarters of the town in quick succession without any connection being established between one case and the other speaks much in favour of the dissemination of the disease being caused by rats; in addition large quantities of these animals were found dead and dying by the gang of disinfectors and workmen.

The last case of plague was reported from Zagazig on the 9th August, and out o seventy-eight cases which occurred there, sixty-eight were admitted to hospital and ten were found dead out of hospital; of the sixty-eight cases treated in hospital, forty-six recovered and twenty-two died; giving a mortality of 32·3 per cent., a ratio which accords with the recognized mortality of plague, provided all cases, mild and severe come under treatment.

The disease, when it occurred among Berberines and Soudanese, was found at Zagazig, as elsewhere, to have more fatal consequence than when occurring among the fellaheen population.

During the time the disease existed in the town, not only were the houses where cases of plague occurred thoroughly disinfected, but a systematic disinfection was undertaken of every one of the eleven quarters of the town, as from experience it has been found that the disinfection only of the houses where cases manifest themselves is not enough to eradicate the disease.

Plague broke out in Minieh in Upper Egypt on the 5th June, but the disease was rapidly got in hand, and only five cases and one death occurred there; the last case was reported on the 22nd June.

At Mansourah one case was discovered in a man arriving in the town from Zagazig; he was at once isolated, and no further cases occurred in the town or neighbourhood.

The next place to become infected, on the 26th August, was Mit Ghamr, a town of about 14,000 inhabitants, situated on the east bank of the Damietta branch of the Nile. The infection, as at Zagazig, was probably transmitted through grocery goods received from Alexandria; up to the end of 1901, nineteen cases and eleven deaths were reported from Mit Ghamr, and the disease still lingers on there and in one or two small villages close to the town.

Zifta, a town of about the same size as Mit Ghamr, and situated exactly opposite it on the west bank of the Nile, became infected on the 8th December. As there is a constant communication between the two towns, it was a matter of astonishment that the infection did not spread to Zifta sooner, but it proves what a slow-spreading disease plague is so long as it assumes the simple bubonic form only.

The last case reported from the town of Zifta itself occurred on the 25th December, 1901; there have, however, been a few cases since in some neighbouring villages. Up to the end 1901, ten cases and eight deaths from the disease were reported from Zifta. A few cases occurred among the Soudanese workmen at the Zifta Barrage, and there is no doubt that some of these people escaped to other villages with plague on them, and it is in all probability that the infection at Tantah was due to them, as the first cases in the latter town were confined to Berberins and Soudanese.

A case was reported from Benha, a town of 8,462 inhabitants, about 40 miles north of Cairo, on the 9th September. This town is in communication by the light railway system with Mit Ghamr, from which town it was probably infected; only five cases and three deaths occurred there, the last case being notified on the 1st October.

Tantah, the capital of Gharbieh, and one of the largest and most crowded towns of the Delta, became infected on the 26th December; the town being infected probably from the Zifta Barrage works. Up to the end of December, nine cases and four deaths had occurred there; during the month of January there have been several cases, and the disease is likely to remain some period longer in the town.

The inhabitants of Tantah appear to show more disinclination in notifying their sick and seeking medical aid for them than has been experienced in the other towns infected during 1901; the consequence is more cases are being found there after death. This is much to be regretted, as it is these cases which are the cause of the spread of infection and the continuance of the disease in the town.

A slight improvement has lately been noticed in the people announcing to the sanitary authorities any cases of illness in the town, and as the people become accustomed to the measures which are taken to protect them, I trust all obstruction will cease. What obstruction has been met with at Tantah has been entirely passive.

Though extensive measures have been taken by the sanitary authorities to combat the disease in some of the principal towns of Egypt during 1901, in no single instance has any disturbance taken place; everything has been done to render the measures as little irksome to the inhabitants as possible, and to in every way avoid wounding their susceptibilities, religious or otherwise.

The measures which have been adopted for combating the disease during 1901 have been essentially the same as those described in my Report of last year, with the exception that the system of the segregation of contacts in the provincial towns has been abolished, and they have been kept under observation in their own houses instead; the principal reason for abolishing segregation was the great difficulty which it entails in arranging accommodation for so large a number of people; it is the

measure which, in Egypt, is resented more by the people than any other. It was also thought by abolishing it the people would be more likely to assist the sanitary authorities in announcing cases of disease than heretofore; not much improvement, however, I regret, has been noticed in this direction.

The system of applying the measures improves by experience, especially that of rapidly organizing bands of men for disinfection and whitewashing purposes in the towns infected; there are now in the country a considerable number of Europeans and natives who have been trained in the work, and when a town is infected, a certain number of them is sent to serve as a nucleus for training others. The difficulties of successfully dealing with a large native town like Zagazig or Tantah are enormous, and at the commencement it appears an almost hopeless task, many of the streets and lanes being so narrow that no cart can get down them; all the articles for disinfection and the accumulation of dirt and refuse in the houses have to be carried out to the carts by hand for a distance of some 200 or 300 yards. Any one can judge the difficulties of this task who knows the conglomeration of filth and rubbish that the poor native delights to surround himself with.

As long as the plague is confined to the summer months the housing of the sick is a comparatively easy task, as excellent mat or tent hospitals can be erected rapidly and at little cost, but when it continues in the autumn and winter, as during last year, the question becomes much more difficult. Alluvial soil after a shower of rain is not an ideal spot for the pitching of tents; mat huts are useless in case of rain, and no decent houses exist which can be turned into hospitals; the further north the cases occur the more difficult the task becomes on account of the more frequent rains.

In all towns infected there have been invariably an intimate connection between the disease among rats and human beings, but our experience has not altered the opinion expressed in my Report of 1900 that rats spread infection and cause isolated cases of plague among the human race; but the true epidemic among human beings is caused by human beings, and the highly-dangerous cases among them are the pneumonic cases.

These cases are so dangerous in causing the spread of the disease for two reasons:—

1. The patient, while alive, when talking or spitting, disseminates the plague bacilli broadcast.

2. After death it is impossible to state the cause of death without a bacteriological examination, as no outward signs of the disease are visible; it is, therefore, extremely probable in an infected district, when a medical officer is called in to see a body before giving the permit for burial, that he allows it to be buried as a case of ordinary death, whereas the person may have died of pneumonic plague.

A case of this kind occurred near Zifta lately, a man died and the native medical officer was called by his friends to certify the cause of death, he being somewhat suspicious from the history of the disease given by the friends took a culture from the lungs and kept the people of the house (two women) under observation; two days after, one woman (the wife of the man) fell ill and died; the day after the second, his mother-in-law, died: all three of them were found to have died of plague pneumonia.

During the year 1899 plague first made its appearance in Egypt, with the exception of Damanhour where two cases of the disease only occurred, Alexandria was the only town infected. The total number of cases and deaths reported were 93 and 45 respectively. During 1900 the disease broke out again in Alexandria, and Port Saïd also became infected; the total number of cases and deaths from plague during 1900 were 129 and 58.

In 1901 in addition to Port Saïd and Alexandria, cases occurred in seven other towns, and also in a few villages in close proximity to the larger towns infected; the total number of cases and deaths reported in 1901 were 205 and 102; it is thus seen that plague has gradually extended and claimed more victims from year to year since its first appearance in the country. It is to be feared that during 1902 we shall see a further extension of the disease, but so long as we can get early information of the first cases and a sufficient staff of workers is available for putting into force the measures which have been found to be successful so far in keeping the disease in hand, I do not anticipate that we shall have a severe epidemic of the disease, but that it will contine to give considerable trouble for many years to come is in my opinion extremely probable,

The following list shows approximately the work undertaken by this Department during 1901 in the several towns infected with plague:—

Rooms Disinfected.	Rooms Limewashed.	Sacks of Effects Disinfected.	Sacks of Refuse Burnt.	Rats Destroyed.
374,030	63,451	12,965	30,547	12,070

(Signed) H. H. PINCHING.

Cairo, January 29, 1902.

No. 2.

The Earl of Cromer to the Marquess of Lansdowne.—(Received March 3.)

My Lord, *Cairo, February* 21, 1902.

SIR REGINALD WINGATE'S time is so fully occupied that I suggested to him that, instead of himself writing a General Report on the administration of the Soudan during the past year, he should send the material to me, and that I should undertake this work. The material consists of a series of Reports and rough notes prepared by the heads of Departments and by the various provincial administrators. Before going any further I should wish to remark that the perusal of these Reports and notes, which are, for the most part, of commendable brevity, leaves a most favourable impression on my mind as regards the officials—mostly military officers—who composed them. All evidently take a keen interest in their work. Their observations and proposals are all stamped with sound common sense, and show a true appreciation of the present condition of the country and of its requirements.

In the summary which I am about to make I propose to omit a great deal of detail. I hope, however, out of the material before me, to compile an account which will enable both your Lordship and others to form a fairly correct impression of the actual condition of affairs in the Soudan. There are, I may observe, one or two points on which I should have been glad to receive some further information. If I do not ask for it, it is because I am unwilling to add to the labours of officials, who are already overworked, and whose time can be far better employed in the practical business of administration, rather than in writing lengthy Reports, or compiling elaborate statistics, for the information of myself and others.

The British officials who, under circumstances of much difficulty, are endeavouring to introduce the first rudimentary elements of civilization into this vast and remote region, deserve every help and encouragement that can be afforded to them. They have to reside in a climate which, during the greater part of the year, is extremely trying to Europeans. For the most part they lead lives, if not of hardship, at all events of somewhat monotonous, and often of almost solitary discomfort. More than this, even if ample funds were available, which is far from being the case, they could scarcely hope to see any very striking or immediate results accrue from their labours; for, in view of the geographical features of the country, its great extent, and the character of its sparse population, who have been demoralized by the institution of slavery and by a long course of misgovernment, a variety of social and economic problems are presented for solution, over some of which Government action can exercise but little or no control, whilst over others improvement, in whatsoever direction, must necessarily be a plant of very slow growth. It would be an illusion to suppose that, even under the most favourable circumstances, the rapidity with which the great natural recuperative powers of Egypt, and the industry of its inhabitants, have led to the partial regeneration of that country, can be paralleled in the Soudan.

General Situation.

Considerable progress has been made towards a settlement of the various pending questions in connection with frontiers.

As regards the eastern limits, negotiations are still proceeding between the Erythræan, Abyssinian, and Soudan Governments. An understanding as to the course

to be adopted, in order to come to a definite conclusion, was recently effected by means of a Conference held at Rome. When the deliberations of this Conference have been submitted to the Emperor Menelik, with whom, I am glad to say, the most friendly relations exist, it is hoped that lines of frontiers, which will fully satisfy the requirements of the various parties, will be definitely decided upon. When once the controversial points have been settled, the work of delimitation will be a comparatively easy and rapid task.

In connection with the eventual delimitation, considerable progress has been made in survey work during the past year. It will be remembered that Major Gwynn, R.E., in the year 1900, made a survey of the country from Famaka, on the Blue Nile, to Nasser, on the Sobat River. In the early part of 1901 Major Gwynn proceeded to Addis Ababa. Thence he travelled towards the Blue Nile viâ Najo, Lekempti, and Wallaga, making a valuable survey of his route up to Famaka; from this latter place (accompanied by Captain Smyth, V.C.) he continued his survey operations southwards to Kirin; then, turning north, he effected a survey of the country between Famaka and Gallabat, and acquired a mass of information which will be of great value when the detailed delimitation is undertaken.

Major Austin, in the previous year, had failed to penetrate as far as Lake Rudolf, owing to a misunderstanding on the part of the Abyssinian authorities; but, steps having been taken to prevent a recurrence of such difficulties, he again—early in 1901—started from Nasser with a well-equipped expedition, with the intention of completing the interrupted survey as far as Lake Rudolf, and joining up with the work upon which he had already been engaged in the East African Protectorate. The history of this expedition is one long series of disasters. The districts through which it passed were found to be denuded of grain; transport difficulties were far greater than had been anticipated; the food supplies, which were expected at the north end of Lake Rudolf, were not forthcoming; men and animals died, and it was only by the energy and perseverance of the British officers of the expedition, and the indomitable courage of the Soudanese officer in charge of the escort, that the party was saved from entire destruction. It reached Lake Baringo in a sad plight; of the original number of sixty-two, only seventeen survived. In spite, however, of all these difficulties, Major Austin succeeded in making a partial survey, and in collecting much valuable information, which will eventually be of great use for delimitation purposes.

As regards the southern districts, the sudd-cutting operations effected in 1900 have proved successful, in so far as Nile navigation is concerned; no serious block took place during the past year. The work of widening the actual channel and clearing it in certain portions, which had not been feasible when the first expedition was dispatched, is now being undertaken by a second and smaller expedition under the direction of Major Matthews; but these operations are being conducted merely with a view to improving the navigation, and are of slight importance in connection with any of the larger irrigation schemes.

The main present requirement of the Soudan is to establish railway communication between the Nile Valley and the Red Sea. Steps have been taken to give practical effect to this proposal. A rough survey of the country between the River Atbara and Suakin has already been made, and a practicable route, along which a railway could be constructed, has been found; but further surveys are about to be undertaken with a view to discovering whether there are not other routes along which a line could be run, involving smaller engineering difficulties and, consequently, less expenditure. It is anticipated that this question will be solved in a few months.

The boundary between the southern Soudan provinces and Uganda still remains undefined, but relations with the Nile provinces of that Protectorate are still so comparatively undeveloped that the settlement of this question does not press. At present the advanced post of the Uganda Government is at Gondokoro, whilst the most southern station of the Soudan Government, on the east bank of the Nile, is at Mongalla, a few miles to the north. The post at Kiro, on the west bank, has been withdrawn.

A steamer proceeds monthly from Khartoum to Gondokoro, and a small trade in ivory and other products has sprung up. A few merchants and officials from Uganda occasionally make use of the Nile route, and, when facilities for more frequent communication are available, the traffic will probably increase. In this connection it may be observed that the Soudan Government has entered into an arrangement with a British Company, who are now constructing a stern-wheel steamer and two stern-wheel barges for passenger and goods traffic on the White and Blue Niles.

The expedition under the command of Lieutenant-Colonel Sparkes, which was dispatched in the winter of 1900 to occupy the Bahr-el-Ghazal Province, was completely successful, and, with the exception of one slight skirmish, effected the peaceful occupation of the northern portion of this large district.

The dispatch of considerable quantities of rice, for the use of the Congo State troops in the Lado enclave, appears to have been sufficient to meet the requirements of the garrisons for some time; latterly, no further supplies have been demanded.

Considerable quantities of rubber trees are reported in many of the districts visited by Colonel Sparkes. Mr. Broun, the Director of Woods and Forests, has been dispatched to report on the possibilities of re-opening the india-rubber trade of the Bahr-el-Ghazal, which, in former days, was one of the principal sources of revenue of that district. It is also hoped, in the near future, to develop the rubber forests in South-western Kordofan, which, from all accounts, are of great importance; but, with the meagre information at present available, any forecasts as to the future development of this trade must necessarily be of little value.

The situation in Darfour remains practically unaltered. A few months ago some excitement was caused amongst the frontier tribes by the appearance of armed forces from El-Fasher. Some conflicts took place, but the immediate dispatch to the scene of disturbance of Colonel Mahon and a detachment of troops soon restored order, and Sultan Ali Dinar at once withdrew his men. Trade relations with this province, which were growing in importance prior to the disturbances, have now been resumed, and there is every prospect that, under favourable conditions, they will develop considerably.

The small remnant of the Dervishes, who proceeded to Dar Kara, are stated to be still in that neighbourhood, where they live by plundering and brigandage. They are so far away as to be of little consequence, and will probably in time become merged with the local inhabitants. Sir Rudolf von Slatin, who is now travelling in Western Bahr-el-Ghazal, will endeavour to communicate with the leader, and extend to him the Government pardon which he is understood to be seeking.

Increased topographical knowledge of the country, and an accurate understanding of the localities occupied by the various tribes, are much required. Considerable progress has been made in this direction by the various surveys under the command of Colonel Talbot, R.E., who has been indefatigable in his efforts to provide the ground work of a really good map of the Soudan.

In concluding this branch of the question, I may quote the following observations addressed to me by Sir Reginald Wingate:—

"In revising generally the work of the past year in the Soudan, I consider that there is every reason to be satisfied with the progress which has been made in the administration and in the introduction of reforms. Unfortunately, the meagre rainfall in many of the districts has raised the price of grain, but the good crops of the former season have prevented any real distress on account of the present partial failure. The fiscal condition of the country has considerable improved, and, given an average rainfall and a continuance of the present system of steady and progressive development of the resources of the country, the prospects of the Soudan eventually becoming self-supporting are more encouraging than they were twelve months ago."

I should add that the experiment tried at the beginning of the year 1901, of introducing a small number of very carefully-selected young English civilians into the Administration has proved eminently successful. It is only want of funds that has prevented their number being increased.

Finance.

In my Egyptian Report, I have dealt with the Soudan financial position, considered as a whole, and I have stated the amount which the Egyptian Treasury has to pay in order to make good the Soudan deficit. In the present place, I propose to deal merely with the Soudan revenue and civil expenditure.

The Estimates for 1901 were as follows:—

	£ E.
Revenue	187,500
Expenditure	382,000
Deficit	194,500

I am unable to state precisely the final results of the past year, as the December accounts of the more remote provinces cannot be received in time for incorporation into this Report. But the approximate results are as follows :—

	£ E.
Revenue	238,500
Expenditure	403,000
Deficit	164,500

It will be seen, therefore, that the revenue is £ E. 51,000 in excess of the estimate, that the expenditure is £ E. 21,000 in excess of the estimate, and that the general result is about £ E. 30,000 better than was anticipated.

The revenue figures are decidedly satisfactory. I give below the figures for the last three years. They are as follows :—

	Revenue.
	£ E.
1899	126,500
1900	157,000
1901	238,500

It will be seen that the revenue is growing. In 1900 there was an increase of £ E. 30,500 over 1899; and, again, the figures of 1901 are £ E. 81,500 in excess of those of 1900.

The increase of revenue during the past year is mainly due to two causes, viz. :—

1. The development of the trade in gum; and
2. The receipts derived from the Animal Tax.

The following figures will be sufficient to show the extent to which the export of gum has increased :—

	Gum exported.
	Kantars.*
1899	41,963
1900	60,912
1901	170,781

It will be of interest to compare the volume of this trade with that which existed prior to the Dervish rebellion. The following figures are taken from the well-known Report of Colonel Stewart :—

	Gum exported.
	Kantars.
1879	144,706
1880	135,646
1881	150,861

The amount of gum exported in 1901 was, therefore, about 20,000 kantars in excess of the largest amount exported in the years which immediately preceded the rebellion.

It is natural that the increased supply should have led to a heavy fall in the price. The price of gum in the London market has fallen from 65*s.* in 1900, to about 32*s.* a hundredweight in 1901. The rates at which royalty is charged have been reduced in proportion to the fall of price.

* One kantar = 99·05 lbs.

As regards the "Animal Tax," to which I have alluded above, Sir Reginald Wingate gives the following explanations:—

"The Inspector-General, Sir Rudolf von Slatin, has been specially active during the past year, in visiting all parts of the country, with a view to settling the tribute and the herd tax to be paid by the nomad and sedentary Arabs, who form a large percentage of the total population of the Soudan, and who are for the most part rich in camels, sheep, and cattle. .. .. ..

"It will be remembered that it was originally the intention of the Government to exercise its authority over these tribes by the imposition of a herd tax, but the impossibility of at present obtaining accurate statistics, on which to base such a tax, led to its substitution by a form of tribute for the nomad Arabs, and by assessing, at a fixed rate, the animals in the possession of the sedentary Arabs. In both these cases, however, it was decided that the taxes should be considerably smaller than the rates fixed by the original Ordinance, and that they should, indeed, be less than the 'Zekat' and 'Fitra' taxes, to which these tribes had always been accustomed. The assessment, both of tribute—calculated, as far as possible, on the present wealth of the tribe—and herd tax, was no easy matter, and doubtless, with increased knowledge of tribal conditions, it will be necessary to considerably modify the various amounts; but a good beginning has been made, and, on the whole, the tribes have responded well to the call. It should be observed that the fiscal is entirely subordinate to the political result of these measures. The imposition of some form of Government authority over the wild and, in some cases, turbulent desert Arabs became an imperative necessity, and the manner in which the respective tribes show their acceptance of this authority, by a ready payment of the comparatively insignificant sums for which they are assessed, is an interesting indication of their loyalty or independence, as the case may be. A few tribes—notably the Gemilab, inhabiting the mountainous districts south-west of Suakin, the Kababish to the west of Omdurman, and the Kenana, in the Senaar Province between the Blue and White Niles, all of these being powerful and wealthy tribes—have shown considerable reluctance to comply with the moderate demands of the Government, and it may be necessary, sooner or later, to resort to measures which will oblige them to understand that the authority and orders of the Government must be respected. The sedentary Arabs throughout have shown an excellent spirit, and in some of the provinces—notably Berber—the amounts levied, both by tribute and herd tax, have been paid up almost in full."

Turning to the expenditure side of the account, the increase of £ E. 21,000 over the original estimate of 1901 is explained by the fact that an additional sum of £ E. 5,000 had to be granted to purchase more rolling-stock for the railway; further, in several other directions, legitimate demands for increased expenditure sprang up during the year.

It is greatly to the credit of the Financial Secretary, Lieutenant-Colonel Bernard, that, under all the circumstances of the case, the excess over the estimates was not greater than that which actually occurred.

The estimates for 1902 are as follows:—

	£ E.
Revenue	224,000
Expenditure	492,000
Deficit	268,000

The revenue estimate is cautious. It is about £ E. 14,500 less than the amount realized in 1901, viz., £ E. 238,500.

At first sight, it would appear that a heavy increase of expenditure is contemplated in 1902, the figure of 1901—viz., £ E. 403,000—being about £ E. 89,000 less than that of 1902, viz., £ E. 492,000. There has, in fact, been some real increase, which may be regarded as the natural result of the progress of administration and reform.

But by far the greater part of the increase is nominal. It is due mainly to the transfer, to the Soudan Civil Budget, of the expenditure hitherto appearing as a War Department charge on the Nile boat and steamer service. This accounts for an apparent increase of over £ E. 71,000. Further, the charge on account of the schools at Suakin and Wadi Halfa, hitherto borne by the Egyptian Ministry of Public Instruction, has been transferred to the Soudan. This accounts for an apparent increase of £ E. 1,500.

The military charge, on account of the Soudan, has been reduced from £ E. 222,000 to £ E. 122,000—that is to say, by about £ E. 100,000—and, as I have

shown in my Egyptian Report, the general contribution of the Egyptian Treasury, to make good the Soudan deficit, both civil and military, has been reduced from about £ E. 417,000, in 1901, to about £ E. 390,000 in 1902—a reduction of about £ E. 27,000.

On the whole, the financial situation of the Soudan may be regarded as distinctly more satisfactory than could have been anticipated a few years ago.

Collection of Revenue in kind.

I am glad to be able to report that considerable progress has been made in the direction of abolishing the very faulty system of collecting the revenue in kind. Land tax, to the extent of nearly £ E. 9,000, was, however, still paid in Indian corn, barley, &c., during the past year. The grain so collected is, for the most part, issued as rations to the Egyptian and Soudanese troops.

It will probably not be possible to abolish this system altogether until, by improvements effected in the means of communication, cultivators are able to find a market for their produce. In fact, in reading through these various Reports, the conclusion is forced on one at every moment that improved communications constitute the most pressing need of the country.

Thus, Colonel Drage, the Controller, who is in charge of this branch of the service, reports that, owing to the absence of camel transport, it was found impossible to convey to either the Blue or the White Nile some of the grain collected by the Government in portions of the Khartoum district. As regards the Province of Kordofan, he says:—

"Here, again, we find the urgent necessity of improving the methods of transport, and a light railway once more suggests itself as the best possible means of tapping this enormous tract of country, which, I believe, at one time was capable of producing large quantities of grain, and which still produces other valuable marketable articles, such as gum and ostrich feathers. I believe the gum trade almost came to a standstill this year, owing to the exorbitant demands of the Arabs for camel hire. I understand that there are still large quantities of this article lying in Kordofan, which cannot be moved in consequence of the want of transport to bring it in."

Royalties on gum, ostrich feathers, and ivory were paid to the Government in kind at the commencement of last year. The sale of these articles realized about £ E. 2,000. This system has now been abolished. The duties will, in future, be paid in money.

I notice in Colonel Drage's Report that he says that the expenditure on stationery by the Soudan Government in 1901 was £ E. 1,600, being £ E. 600 in excess of the estimates; and, further, that he has asked for a credit of £ E. 2,000 on this account during the current year. "Nothing," Colonel Drage remarks, "lends itself more to waste and extravagant use than stationery."

This item calls, however, for another reflection. I fear that it must be taken as an indication that the amount of official correspondence in the Soudan is increasing. To a certain extent, this is probably inevitable. Nevertheless, I venture to express a hope that a steady check will be kept on excessive writing. It generally implies excessive centralization, and the Soudan is pre-eminently a country where the administration should be decentralized as much as possible.

Cotton.

A certain quantity of cotton-seed, to be used for experimental purposes, was issued gratis by the Government last year. It was of the Ashmouni and Afifi varieties of Egyptian cotton. The result of the first year's crop is not yet known, and even when known will not give a certain indication of what may be expected in the future. Before forming any definite opinion, it will be necessary to await the results of the second year's crop, which will be obtained from the seed of the first year.

On this subject Colonel Drage writes:—

"Two samples of cotton, the produce of other than that produced from the Egyptian cotton-seed, were submitted to expert firms in Cairo and Alexandria, namely, Messrs. Carver and Co. and Messrs. Choremi, Benachi, and Co., and their

reports, though not enthusiastic, lead one to suppose that, with proper means of irrigating the cotton fields, and supervised by men from the Delta or elsewhere, thoroughly versed in the growing of cotton (which requires a great deal of skill and much trouble), the Soudan would be capable of turning out cotton and seed at least equal to that of Upper Egypt, and very superior to American, though it would probably never equal that of the Delta."

Mineral Concessions.

Several licences, giving exclusive rights of prospecting over defined areas, have been granted in the course of the year. The licensees are bound by the terms of their licences to commence prospecting within a certain time, and to expend on such work considerable sums, which are fixed in their licences. They are given the right, during the term of their licences, to apply for and obtain mining leases of any mines which they may find, upon the conditions set forth in their licences.

Particulars are given below of all existing licences :—

Date of Licence.	Name of Licensees.	Prospecting Area.	Amount to be Expended in Prospecting, and Period of Licence.
June 11, 1900 ..	Egypt and Soudan Mining Syndicate (Limited)	Bounded on north by latitude 22°, on east by longitude 34° 30′, on south by latitude 20°, and on west by longitude 32°	£ E. 20,000 in 4 years. 1 year, renewable for 3 more.
January 14, 1901 ..	London and Soudan Development Syndicate	Bounded on north by latitude 12°, on east by Blue Nile, on south by latitude which passes through junction of Tomat River and Blue Nile, and on west by White Nile	£ E. 3,000 the first year, under this licence and the next. Then £ E. 25,000. 1 year, renewable for 3 more.
,, 14, ,, ..	The same ..	Area limited by a circle drawn with a radius of 10 miles from a centre near Fatikohe on the White Nile	£ E. 3,000 the first year, under this licence and the last. Then £ E. 5,000. 1 year, renewable for 3 more.
June 22, ,, ..	Victoria Investment Corporation	Bounded on north by latitude 22°, on east by Red Sea, on south by latitude 20°, and on west by longitude 36°	£ E. 30,000. 4 years.
September 20, ,, ..	George Ogilvy Haig, Esq.	Bounded on north by latitude 22°, on east by longitude 36°, on south by latitude 20°, on west by longitude 34° 30′	£ E. 30,000. 4 years.
October 3, ,, ..	A. Raymond Heath, Esq.	A circular area limited by a radius 6 miles in length, from a centre near Tambuk, near Suakin	£ E. 8,000. 4 years.

It is not as yet considered prudent to permit prospecting in Kordofan, and, pending the delimitation, no licence has been granted on the Abyssinian boundary.

The holders of each of the above-mentioned licences are under contract to send prospecting expeditions into their areas during the next nine months. Parties are already at work in the areas held by the Egypt and Soudan Mining Syndicate and the London and Soudan Development Syndicate.

Railways.

In 1900 a sum of £ E. 500,000 was advanced by the Egyptian Government in order to enable the condition of the Soudan railways to be improved. Of this sum only about £ E. 16,500 was expended in 1901. This money was principally spent on constructing bridges on the line between Halfa and Abu Hamed. This line was kept

open during the whole of the rainy season. A larger sum will be spent on new works during the current year.

The total receipts during the year were about £ E. 165,000. The working expenses were about £ E. 124,000. Of the receipts, however, £ E. 93,000 was nominal, being, on Government account, for the transport of troops, supplies, &c.

The receipts from passengers and goods carried on private account compare with those of 1900 as follows:—

	1900.	1901.
	£ E.	£ E.
Passengers	6,703	8,265
Goods	27,555	63,874
Total	34,258	72,139

These figures are fairly satisfactory. They show that the effective receipts of 1901 were about £ E. 38,000 in excess of those of the previous year. Moreover, it is to be noted that the whole of the increase took place during the last six months of the year. During the first half of the year the rolling-stock was insufficient to cope with the traffic. In July and August new trucks and carriages arrived.

The increase is mainly due to the development of the export trade in gum.

"For the first time," Lieutenant-Colonel Macauley, the Director-General of the Soudan Railways, writes, "since the railway has been open there was a demand for more transport from south to north than from north to south; this state of things only lasted a week; but, still, it is satisfactory, inasmuch as it seems to indicate a considerable increase in the traffic from south to north in the future. In preceding years the traffic from south to north has been very small in proportion to that from north to south."

There was also an increase in the imports. I give below a detailed statement of the goods carried by the railways during the first eleven months of last year. They may afford to merchants an indication of the class of goods of which the Soudan apparently stands in need:—

	Tons.	Value.
		£ E.
Cotton stuffs	1,387	217,482
Flour	431	6,034
Rice	76	760
Spirits	250	8,400*
Provisions	163	6,520
Sugar	1,733	19,687
Perfumes	7	2,800
Soap	117	3,217
Oil	98	2,352
Tallow	7	230
Dates	851	6,195
Tea	26	2,912
Petroleum	90	583
Tobacco	115	31,280
Miscellaneous	1,950	62,400
Total	7,301	370,852

Civilian station-masters are being gradually substituted for soldiers.

I notice with pleasure the following remark in Lieutenant-Colonel Macauley's Report:—

"Many soldiers have returned to work as civilians on the expiration of their period of service in the army."

* I have drawn Sir Reginald Wingate's attention to the large amount of spirits which seem to be imported.

About a year ago, when the price of coal was very high, a cargo of Indian coal was, at my suggestion, imported as an experiment. Lieutenant-Colonel Macauley reports the result in the following terms:—

"The Indian coal tried at the beginning of the year turned out better than was expected from its appearance, although it is, of course, not so good as Welsh coal. The drivers at first could not keep enough steam with this Indian coal; but, after a time, when they had become accustomed to it, they could take their usual loads, although with difficulty."

One of the main obstacles which stands in the way of railway development in the Soudan is the difficulty of obtaining labour. I will not attempt to deal with this important question at present. I may say, however, that the best solution appears to me to be the importation of foreign labour, either Indian or Chinese. The Egyptian labour market is far from being over-stocked.

Telegraphs.

The estimated revenue of the Telegraph Administration during 1901 amounted to £ E. 4,500 and the expenditure to £ E. 15,000. Most of the telegrams which pass over the wires are official, and, therefore, are sent without payment. Had they been charged at the ordinary rates, the deficit of about £ E. 10,500 would have been turned into a surplus of about £ E. 6,000.

The only new line constructed during the year is that from Suakin to Erkowit, a distance of about 40 miles.

The question of telegraph-poles is one of special importance in the Soudan. On this subject Captain Liddell, the Director-General of the Telegraphs, writes as follows:—

"The system of bolting 12 ft. 6 in. poles on to steel trough bases, which has been extensively used this year on the Soudan telegraph lines, has, so far as can be seen up to the present, proved very satisfactory. I have tried experiments with wood of various kinds dipped in Atlas preservative and afterwards painted with hot coal-tar: these have given good results; but I do not feel sure that such poles would resist damp, and subsequent rot, for a long period.

"I have also tried experiments with creosoted wood, and propose to build the Kawa-Goz–Abou-Goma line of creosoted poles as an experiment.

"I have tried the wood which the Egyptian Telegraphs Administration grow for telegraph-poles, but I find that it is not proof against white ants.

"A great advantage possessed by the present form of steel base is that it reduces the length of pole required, and thereby makes them much more convenient for camel transport. Formerly, an 18-foot pole was necessary, and these make most awkward loads for camels."

Post Office.

The postal service is under the Director-General of the Telegraphs. Various minor improvements were effected in the course of last year. The net revenue in 1901 was about the same as in 1900—viz., rather less than £ E. 5,000.

Preservation of Game.

A very full and interesting Report on this important subject has been received from Mr. Butler. I can here only attempt to give a very brief summary of its contents.

A large tract of country, approximately 300 miles long by from 100 to 150 miles broad, has been made into a game reserve. It is situated between the Blue and White Niles, the Sobat River, and the Abyssinian frontier. In this tract only officers and officials of the Soudan Government and residents approved by the Governor-General are allowed to shoot. Mr. Butler thinks, and I fully agree with him, that, in addition to this reserve, a complete sanctuary for game should be formed as soon as a sufficient knowledge has been obtained of the distribution and migration of animals.

Mr. Butler gives the following list of game killed under licences during the past year:—

Elephant	30
Rhinoceros	4
Buffalo	34
Jackson's hartebeest	34
Tora hartebeest	8
Tiang (*Damaliscus*)	83
Waterbuck	78
Mrs. Gray's waterbuck	16
White-eared cob	107
Uganda cob	6
Roan antelope	39
Oryx leucoryx	2
Kudu	1
Redbuck	22
Bushbuck	31
Ariel	74
Other gazelles	139
Dinker	8
Oribi	43
Ibex	5
Hippopotamus	19
Warthog	15
Wild boar	2
Lion	23
Leopard	7
Cheetah	2
Giraffe	4
Wild ass	2
Ostrich	4
Total	842

It cannot be doubted that a certain quantity of game is killed, under licence, without being reported. Mr. Butler, however, thinks that the above list probably represents about 80 per cent. of the larger animals shot by Europeans, but that, as regards gazelle and ariel, it cannot be held to represent more than 50 per cent., if so much.

The European sportsman is not, however, the principal enemy to game in the Soudan. The law, as it stands, is legally applicable to all natives of the Soudan alike. But it is quite clear, from what Mr. Butler says, that it cannot be fully enforced. "I have not attempted," Mr. Butler says, "to collect any statistics relating to game killed by natives, owing to the impossibility of obtaining anything approaching to accurate information. A great deal of destruction undoubtedly went on during the year. The principal cause of destruction appears to be the profit derived from the sale of hides." Thus, the Moudir of Senaar reported that large organized hunting parties, well armed with rifles, come from the direction of Gedaref and the Abyssinian frontier into the country between the Rahad and Dinder Rivers and slaughter game indiscriminately. Hunting parties also did much harm in portions of the Kassala district.

Mr. Butler makes several suggestions with a view to checking these evils. They will, without doubt, receive full consideration. But so long as the natives possess firearms—and it is difficult, if not impossible, to disarm them altogether—it is very questionable whether the illicit destruction of game in the Soudan can be entirely stopped.

Justice.

Except the Fashoda and Bahr-el-Ghazal provinces, the whole of the Soudan is now subject to civil justice. Mr. Bonham-Carter, the Legal Secretary to the Soudan Government, reports that "the lines on which the codes are framed have, on the whole, proved eminently satisfactory, and do not call for remark."

I gather from the full report which Mr. Bonham-Carter has sent in that the Courts, both civil and criminal, are working satisfactorily. The main defect is numerical weakness in the judicial staff. An English barrister (Mr. Wasey Sterry) was appointed to be Civil Judge at Khartoum last year. As funds become available, further appointments of this nature will, without doubt, have to be made.

The Land Commissions, which were appointed shortly after the re-occupation of the country, have now nearly completed their labours. In a few months all

claims to land arising from the dislocation caused by the rebellion will have been settled.

In the absence of a complete survey or of trained officials, it has not, as yet, been found possible to establish a register of titles to land.

As regards the working of the Mahommedan law courts, Mr. Bonham-Carter makes the following remarks :—

"Under the old Government every place of any pretensions had its Cadi, who, however, received little or no salary, but made what he could from fees and presents. Under the present Government the Cadis are fewer in number, but they and their clerks receive a moderate monthly salary, whilst the fees which are taken are fixed and go to the Government. There can be no doubt as to which system is more likely to produce impartial justice."

Education.

The educational efforts of the Government of the Soudan have, up to the present time, been devoted to the attainment of the three following objects :—

1. The diffusion, amongst the masses of the people, of the elements of knowledge by means of "kuttabs," or vernacular schools, at the various local centres.

2. The gradual formation of a native artisan class by the formation of a small industrial school.

3. The institution of two primary schools in which English is taught, and in which a beginning may be made in the direction of training a class of native administrators.

As regards the first object, "kuttabs" are actually in existence at Berber, Dongola, and Wad Medani. Mr. Currie, the present very capable Director-General of Education in the Soudan, writes about these schools :—

"Not one of them attains to a reasonable standard of efficiency, and the number of pupils attending them has not increased. The reason for this is that the teachers are all incompetent. They can, as a rule, neither read, write, nor count in Arabic."

Mr. Currie hopes, in a few months' time, to establish model "kuttabs" at Dongola and Berber, and, perhaps, elsewhere. In order to provide suitable teachers a small training college for native Sheikhs was opened at Omdurman in February 1900. There are at present six students under instruction at this college, all members of good Arab families. The aims of the college, Mr. Currie writes, "are very humble—merely to instruct a few Soudanese Sheikhs in reading, writing, and arithmetic, give them a little practice in teaching, and draft them into the 'kuttabs.'"

As regards industrial education, a small industrial school has been established at the dock-yard works, which are situated on the river about a mile north of Omdurman. These works are under the control of Mr. Bond, R.N., who, I may mention, besides the lively interest he has shown in this particular work, has rendered excellent service in organizing the water transport of the Soudan Government. Mr. Currie and Mr. Bond, acting in co-operation, have arranged that the apprentices, sixty in number, should be divided into two shifts of thirty each. They receive alternately a day's schooling and a day's practical work at their respective trades.

As regards the attainment of the third object mentioned above, namely, the formation of a class of native administrators, some real progress has been made. An efficient primary school has been established at Omdurman. The syllabus followed is that of the Egyptian primary schools, simplified to meet Soudanese requirements. It is attended by 170 pupils. An encouraging feature is that, of these, 103 pay fees. "It is," Mr. Currie writes, "under the control of a young, energetic, and competent Egyptian head-master, who, I think, is doing thoroughly good work."

A school on similar lines was opened at Khartoum on the 1st October, 1901. It is attended by seventy-two pupils, of whom sixty pay fees.

"As regards the future," Mr. Currie writes, "the matter is, in essence, financial. So far south as Khartoum, at all events, there is no doubt that the people are extremely anxious to obtain educational facilities.* For the present the true line of progress lies in the multiplication of efficient "kuttab" schools. How far this demand can be met depends on the financial resources of the country, but the need for these schools is very urgent. Once good models have been established, private kuttabs will begin to imitate them, and the system of subvention can be

* It will be observed that this opinion is confirmed by several of the Moudirs, *Vide post*, under the heading "Reports from the Moudirs."

introduced; but at present subvention would only perpetuate dirty and inefficient schools."

I wish, before leaving this branch of the subject, to express my entire concurrence in the following weighty and very pertinent observations, which are contained in Mr. Currie's Report.

"I often hear," he writes, "an opinion expressed which I deem a pernicious fallacy. It is, that it is worth while establishing schools for the teaching of English for the sake of the supposed political advantage which such teaching indirectly confers upon the governing class.

"As a matter of fact, I hold the exact contrary, and believe that, for one political difficulty you remove by the teaching of English you create a dozen.

"I consider that at present only those boys should learn English who are subsequently going to make use of it in the Government service, or in commercial pursuits in which such a knowledge is necessary.

"Schools for this purpose should be good, and it is nearly as important that at present they should be few.

"It is imperative that schools of this type should be fee-paying, though I have no objection to their receiving a certain number of free scholars.

"Similarly I would always most strenuously resist any proposal to teach a smattering of English in the kuttab schools."

Gordon College.

The general interest taken in the Gordon College must be my excuse for treating it separately. I need not, however, enter into any great detail, as I understand that a separate Report on this subject has been already addressed to the Trustees of the College Fund, and that a further Report, dealing with the state of affairs up to date, will shortly follow.

The building, as will be seen from my remarks under the head of "Public Works," is approaching completion.

I have on previous occasions mentioned that, for the time being at all events, it is a misnomer to call this institution by the somewhat high-sounding title of a college. That it will eventually be used as a college, in the true sense of the term, I do not doubt; but that name generally implies an institution where some degree of high instruction is afforded. For the present, however, the students to whom such instruction could usefully be imparted are almost wholly wanting. The Gordon College, nevertheless, may render almost immediate and very useful service as a primary school. When it is completed, the primary school at present in Khartoum will migrate to it. As communication with Halfaya, on the right bank of the Blue Nile, becomes easier, a large number of pupils will probably come in from that quarter. "In a year from now," Mr. Currie writes, "I hope to see a primary school of 170 boys established in the college."

I trust also that the college may be used for purposes of technical instruction.

Mr. Currie's suggestion that an Economic Museum should be established at the college, with a view to assisting in the commercial development of the country, has, I understand, been adopted. Mr. Butler, of the Animals Preservation Department, has been named Curator of the Museum. He has, I may observe, already had experience of similar work in the Malay States.

Mr. H. S. Wellcome, of the firm of Messrs. Burroughs and Wellcome, has very generously presented the college with an efficient analytical and bacteriological laboratory, equipped with all the necessary apparatus. It has been arranged that the Soudan Government shall provide for the maintenance of the laboratory. The plans are at present in the hands of Colonel Friend, R.E., the Director of Works. When the rooms are completed, a competent bacteriologist will be appointed.

Prisons.

In December 1900, a sum of £E. 10,000 was granted, with a view to the establishment of a Prison Administration in the Soudan. Fair progress appears to have been made, but, as was to be expected, the prison accommodation is still very defective. Captain Borton, who is in charge of this service, classifies the accommodation in the principal towns as follows:—

"Khartoum, indifferent; Halfa, very bad; Dongola, good; Wad Medani, very good (since September 1901, when a new prison was opened); Suakin, very good; Kassala, nil; El-Obeid, nil."

The warders are all Soudanese, except at Wadi Halfa, where thirteen Egyptians are employed.

The health of the prisoners, during the past year, was good.

Medical.

Lieutenant-Colonel Penton, the principal Medical Officer of the Egyptian Army, reports that the general health of the army in the Soudan during the past year was good. There was a complete absence of infectious diseases amongst the troops. Colonel Penton attributes the absence of small-pox to the care taken in vaccinating the inhabitants of the towns and villages near stations occupied by troops. Cerebro-meningitis, which at one time caused considerable mortality amongst the troops and the population, seems to have died out. I note, as a point which may be of some interest to medical men, that "there is no evidence in the army of cancer ever occurring among the Soudanese. Arabs are sometimes affected by it."

As regards the health of the civil population, Colonel Penton says: "There has been a remarkable decrease in infectious diseases this year in the Soudan. Twenty-five cases of small-pox occurred in the villages near Khartoum, as against 131 last year, but that town, in common with all others, entirely escaped." This improvement is, without doubt, due to the extension of vaccination.

Small civil hospitals have been established at Omdurman, Khartoum, Halfa, Berber, Dongola, Suakin, and Kassala. As time goes on, and funds become available, it may be possible to increase the hospital accommodation, which is at present certainly inadequate.

As regards sanitation, Colonel Penton says: "The Moudirieh towns are kept clean. Surface-cleaning is thoroughly carried out. The main difficulty is the disposal of sewage, &c. In these towns, improvements are yearly noticeable." Colonel Penton adds, and I fully agree with him: "Sanitary regulations cannot be rigidly enforced in the Soudan. It is found impossible to control outlying districts in the vast extent of country, owing to the want of Government staff."

Cattle Plague.

Between December 1900 and May 1901, 986 cases of rinderpest were reported. The proportion of deaths was 66·6 per cent.; 2,824 inoculations were effected.

Lieutenant-Colonel Griffith, the Principal Veterinary Officer of the Soudan Government, reports: "I think we may now reasonably consider that the rinderpest no longer exists in the Soudan, but at the same time we are never safe from reinfection." Four mounted posts are being maintained on the main cattle roads into the Soudan from the plague-infected districts of Abyssinia.

Speaking of the high proportion of deaths to cases, Lieutenant-Colonel Griffith says: "What makes the real difference in increasing the death percentage is the delay between the first case showing itself and inoculation of the herd. As each day passes, more contract the disease. Serum, so far as my experience goes, has little curative power; so much so that, long ago, I gave up inoculating animals which had the disease on them."

Public Works.

About £ E. 90,000 was spent on public buildings last year. Of this amount, £ E. 27,000 was for barracks to house a British battalion at Khartoum. This charge is borne by the British Government. Of the remainder, which was on account of the Soudan Government, about £ E. 32,000 was for military and £ E. 31,000 for civil works.

The estimates for the current year are:—

	£ E.
British barracks	25,000
Military works	34,000
Civil works	34,000
Total	93,000

It is hoped that the bulk of the military buildings required will be completed in 1902, with the exception of the central Khartoum Hospital, and some of the barracks at El-Obeid, the Blue Nile, and Shendy.

The civil works at Khartoum, Berber, Kassala, El-Obeid, and on the Blue Nile will be continued during the current year.

As regards the Gordon College at Khartoum, Colonel Friend writes:—

"The Gordon College is well advanced, and will be finished during 1902. I see no reason to fear any excess on the money granted (£ E. 23,000), provided no addition be made to the existing design."

Reports from the Moudirs.

A fair idea of the condition of the people, and of the general progress of the Administration, may be gained by giving a few extracts from the reports of the various Moudirs.

Colonel Nason, the Moudir of Berber, writes:—

"I consider that the material condition of the people has improved most palpably. They are better clothed, and a great deal has been done in building new houses and improving old ones. The people of the Robatab district are by far the poorest of this Moudirieh, and the large percentage of very poor people, who appear to have very little to live on, seems to me most striking. The remission of the date tax, which has been sanctioned by the Governor-General, will, however, give them material assistance, and I trust this may be continued for three or four years more, to enable them to recuperate in some degree.

"I am pleased to be able to report that a certain number of people have returned to the Zeidab and Shendy sub-districts, and the Sheikhs of those districts have informed me that they have received news of several other families returning to their homes. Both these sub-districts are much under-populated, and consequently there is much splendid soil still to be cultivated, particularly in the Shendy sub-district.

"The new mode of land taxation is a great improvement, as it gives larger scope for the differences between soils.

"I consider the financial aspect of this province to be most encouraging. When you consider that, until this year, neither Zeidab nor Shendy sub-districts paid anything, and that they have, this year, paid full land and date tax, also herd tax, and, in addition, have returned large loans of grain which were issued in 1899 and 1900, it is full proof that they have not been too hardly pressed. I have just completed an inspection of these sub-districts, and have hardly heard a single complaint.

"The loan of cattle has been most successful.

"I believe the better class of natives to be most anxious to educate their children, but the permanent obstacle is the distance of the school from their homes."

Colonel McKerrell, the Moudir of Dongola, writes:—

"The people, as a whole, are very poor, but appear to be contented.

"The natives of Sukkut, Mahas, and Dongola are of a lazy and somewhat sullen disposition. There is a great change when one reaches the Shagieh country, *i.e.*, Debbeh, Korti, and Merowe. These people are industrious, cheerful, and more intelligent in every way.

"The inhabitants, generally, are beginning to build themselves better houses, and to grasp the advantages derived from cleanly habits as regards their persons and homesteads. This is, I think, a distinct step in advance.

"They are all still strangely averse to any innovations in the way of working their sakias, use of agricultural implements, &c.

"The population shows an increase of 14,046 over last year. Of this increase, 12,899 are children. There have been many births during the last year, but I fear not so many as this. I can only conclude that, as regards children, last year's census was much below, and this year's is above, the real numbers. I will see to this item myself in 1902.

"332 Baggaras, who were sent here in 1897, returned south this year.

"About 150 natives of Upper Egypt, *i.e.*, Daraw, Assouan, &c., arrived during the year.

"The land tax revenue this year is £ E. 560 less than that of last year. This may be taken as most satisfactory, as no tax was taken on uncultivated land, as had been the custom in previous years. This remission has given the people time to recover

from the bad demera* of 1899, *i.e.*, the crop of 1900, with the result that the cultivation of this (1901) demera has increased largely.

"There is no trade with Korfodan. I am convinced that there would be a market in this province for certain kinds of European merchandize, if any respectable firm chose to come here. Goods, such as cotton stuffs of all sorts, cutlery, all kinds of implements, cooking utensils, &c., would find ready purchasers. Those unable to buy would be incited to work harder in order to do so.

"There is still a certain amount of kidnapping going on, but it is difficult to catch the culprits, as they always take to the desert, and I have no mounted men to follow them.

"The attitude of the natives as regards education is good, and they appear anxious that their children should be taught. Each village almost has it 'kuttab,' and the attendance is good.

"On the whole, good progress is being made in the province. Want of population is what it most suffers from.

"As the population increases, more canals should be opened, but they are not required at present.

Captain Hayes-Sadler, the Administrator of Wadi Halfa, writes:—

"The inhabitants from Halfa northwards are seemingly very rich and prosperous, possibly in consequence of the influx of money from highly-paid representatives of the servant classes, many of whom are natives of this district, and invest their savings here, ultimately settling down when retired from service. On the other hand, to the south, between Halfa and Akasheh, the people are poverty-stricken, and their taxes were partly remitted during the year.

"With the exception of dates, there is very little export trade. The produce of this district is scarce, and the wants of the people are at present comparatively few.

"There is a great forwarding trade carried on locally by the merchants at Tewfikieh and Halfa.

"The natives here are excessively keen on the subject of education, and are fully alive to its advantages. There is an excellent school at Tewfikieh, and also a small 'kuttab,' which I hope the Egyptian Administration of Wakfs will assist financially and by its moral support.

"This, though a small district, is a paying one, and, in my opinion, is capable of future development in due course of time."

Major Godden, the Administrator of Suakin, writes:—

"The people are content and satisfied so far, I think; but all regret the loss of trade to Suakin, and hope for better times.

"The total Customs receipts for this year (1901) will be approximately £E. 4,790 less than last year, when they were £E. 9,522. The loss of trade is due to the Nile Valley Railway being quicker and little more expensive than this route, and merchants obtain a quicker turn-over for their money. Indian trade has fallen off, and this year twenty merchants (mostly Indians) have either left Suakin entirely or have only an agency here, instead of their head-quarters. The abolition of the Awaid-el-Noba and the Government camel tax does not appear to have led to any increase of trade here at present, though by the end of October it will have been six months in force."

Major Godden forwards an interesting Report, written by Mr. Cope, the Inspector of the Slavery Department, in which an account is given of a patrol in the desert. It is too long to quote here, but I may remark that its perusal is sufficient to show the very great practical difficulties which have to be encountered in the conduct of anti-slavery operations.

Major Smith, the Moudir of Senaar, writes:—

"The material condition of the people is steadily improving: they are much more contented, better clothed, and beginning to appreciate justice and the present feeling of security, as well as the relief afforded against the oppression of the past.

"The population, I think, has increased on the whole, but as the statistics last year were only approximate, no comparison can be made.

"There has been a steady emigration to Kordofan, and immigration to Wad Medani, owing to the cheapness of the food supply in this town.

"The nomad tribes have increased steadily in flocks and herds, in consequence of the relief from intertribal raiding.

"The financial situation may be considered satisfactory, and compares favourably

* "Demera" is the local term for the flood-level of the Nile.

with last year. It should, however, be noted that these results have been obtained by the very strictest economy and cutting down of expenditure to the utmost limits it is capable of, owing to which many necessary administrative reforms have had to be shelved until more funds are available.

"Roads are now gradually being opened up, and are becoming better from the greater number of people who use them; the increase in trade has had a good deal to do with this.

"Roads have been laid out in Wad Medani, and trees planted on them. A good system of wide roads planted with trees will be laid out directly. Shops are begun to be built and sites settled.

"Owing to the regular service of steamers on the Blue Nile for about six months of the year, considerable traffic is carried on by boats; 217 boats are licensed.

"Trade has been pretty brisk this year, as a few statistics will show.

"As regards gum, royalties were paid on 2,607,680 rotles of 'talh' and 543,695 rotles of 'hashab.'

"The Customs receipts were as follows:—

	£ E.
Imports	396
Exports	95
Total..	491

"Half this amount went to Abyssinia and half to the Soudan Government. It shows that trade only wants encouragement.

"Ninety-one slaves were freed, and nine convictions obtained during the year. The slaves are chiefly brought down by traders from the Burun country and Abyssinia. They are found not to know Arabic, which is a pretty sure sign that they are outsiders.

"The attitude of the natives towards education is improving; they are not so suspicious. The school here shows an increase of twenty-four pupils since last year, but the total number at present is only forty-eight. The only school at present established is at Wad Medani.

"In my opinion, no more are required for the time being, as there has not been any desire shown by the natives, except at Wad Medani, to apply. I suggest that arithmetic and good writing be taught in addition to religious instruction."

Colonel Stanton, the Moudir of Khartoum, writes:—

"In February a certain Ali Abdul-Kerim gave himself out to be the true Mahdi. This man had been known for some time to be eccentric, and, being gifted with a certain amount of 'legerdemain,' he was able to pass off as miracles a few tricks on an ever-ready and easily gullible crowd. He collected a small following. His removal, however, to Halfa, and his inability to free himself from a Government gaol soon dispersed the belief in him.

"The land tax proper, as obtaining in the Berber and Dongola Provinces, was introduced into the Halfaya district of this province in January 1901. A considerable increase of revenue resulted from this step.

"The material condition of the people has considerably improved. Very large numbers of the Ghezireh population, after a good harvest in the autumn of 1900, went over to work the gum produce of Kordofan, but returned again to plant the Ghezireh rain-lands.

"Throughout the year the price of 'dhurra' (maize), the staple form of food, has not exceeded 60 piastres the ardeb at Omdurman, while in the centre of the Ghezireh the price has been as low as 8 and 9 piastres the ardeb, owing to lack of transport.

"In this connection, I would mention the great advantages which would be derived from a tram-line across the Ghezireh, or a navigable canal from the Blue Nile, running north from the neighbourhood of Senaar direct to Khartoum.

"There has been a steady emigration to Kordofan throughout the year, mostly on the part of those people who were driven out by, and fled from, Mahmoud and his army. A few Berberis from the neighbourhood of Assouan have settled near Kawa, on the White Nile; these are mostly people whose property will be inundated by the water of the new dam, when full. The Lahaween, who were driven away from the White Nile to the Blue Nile near Senaar, are returning to their old quarters near Marabieh.

"The financial situation of the province goes on improving from year to year. The one vital point to assure an increase of revenue is an increase in the staff of

British officials. I would venture to forecast that, with a British Inspector to each district, and with a doubled police, the revenue would be more than doubled.

"Except at Khartoum, no metalled roads exist in the province; but unmetalled tracks, which could be turned into excellent Tonga-roads, exist. With very little trouble, it would be possible to make these roads better than the usual country cart road of India. If a gang of twenty men under an officer, provided with picks and shovels only, was sent to do them, the time required would not exceed one month each road, as, beyond levelling hummocks of grass and removing scrub, there is no heavy work involved. Sand-wheels would not be necessary except for heavy cart traffic.

"The sugar-cane tried by me was all destroyed by white ants.

"I am endeavouring to introduce the production of rice on the White Nile. I hope to be able to report a successful result later.

"I am also obtaining £ E. 25 worth of different seeds of crops, such as berseem and vetches, suitable for the Soudan, from the Agricultural School at Cairo.

"Colonization by discharged Soudanese, even under favourable circumstances, such as at Hellet Abbas, on the White Nile, has not proved the success which one would have hoped and wished to see. It is an unfortunate fact that, except in isolated cases, when once the Soudanese gets free from discipline and control he degenerates into a lazy and useless member of society.

"In my opinion, little success will ever crown the efforts at colonization unless the Colony is worked on a system similar to that of a battalion, with an officer in charge, and every man made to cultivate sufficient ground for the support of himself and his family, or else suffer punishment. To give a discharged Soudanese land, seed, and implements is not enough. He must be put under some obligation stronger than a moral one to make him work for his bread; otherwise, he will soon leave his cultivation to look after itself, and take himself off to the nearest large town and live by his wits and begging.

"The great difficulty I have to contend with is to keep the colonists in their Colony. They start well enough, and when the rains are good and no trouble is required there is no difficulty in getting them to plant a sufficient area for the crop required. But when it comes to "shadoof" work, and artificial irrigation is required, they soon tire of it and, unless supervised, will leave the crop to wither, and decamp for a hand-to-mouth existence in one of the large towns. It is, after all, not so very much to be wondered at that, after a life spent under strict discipline, where all his actions were controlled and ordered, the Soudanese, finding himself at length free from all supervision and control, should return to the inherent, natural, and happy-go-lucky state of his fathers in their primitive and uncivilized homes.

"The attitude of the natives towards education generally has undergone a complete change. Two years ago they were distrustful and suspicious, whereas now, on the contrary, they are only too anxious to send their children to the Government schools, where such exist. The growth of the schools at Khartoum and Omdurman, under the Director of Education, is sufficient proof of this. These schools have been enlarged three times.

"Education in the districts is still limited to 'kuttab' schools, which can hardly be termed education at all. In these the children are taught to read and write, and to learn by heart verses of the Koran, with sometimes a little arithmetic of a very primitive order.

"Government schools are badly needed at the large centres in the province when the Director of Education can raise the necessary teaching staff.

"I consider the curriculum, as arranged by the Director of Education, to be by far the most suitable, and would advise no alteration, except, perhaps, to suggest that English is taught a little too soon. There is a tendency on the part of parents to teach their children English before they know their own tongue, with a view to getting them early employed in Government offices. I do not think that any encouragement should be given to this movement."*

Colonel Mahon, the Moudir of Kordofan, writes:—

"The condition of the people is, on the whole, improving. The population is increasing everywhere, especially in Dar Hamid; but this district suffered this year from want of rain, so the crops were a failure. Many new wells have been opened. The gum crop was very good last year, and the people made a good lot of money by it; but lack of capital to provide transport greatly interferes with this trade. The cattle trade from the south is increasing.

* See the remarks of Mr. Currie on this subject, under the head of "Education."

"El-Obeid has largely increased in population since last year and also in prosperity, but it is handicapped by the partial failure of the grain crop. Nahud has increased in population, as also El-Edyia. Duem has also increased in size and population, and is an important trade centre.

"I cannot give an estimate of the population of the province, as a great portion of it has never been explored; but it has increased largely in the parts I have visited since last year.

"The condition of the nomad tribes is, on the whole, satisfactory, though they are poor, with the exception of the Kababish, Kowahala, and Ghanabla, who have large herds of camels. The Homr have a certain amount of cattle and sheep, but all are very much scattered, and are not under a Sheikh or Nazir. The Howasma are also much scattered, but have lots of cattle and horses.

"The payment of tribute has caused a little difficulty, but when the question of Sheikhship is finally settled, I do not think there will be any further difficulty.

"Water supply all over Kordofan is limited, and would never be sufficient for European colonization. The permanent supply is from wells during and after the rainy season, from Gullas, and in the west from Tabeldi trees, which are hollowed out and filled during the rains.

"Owing to the size of the province, and the very small proportion of officials and police, it was very difficult to enforce financial Regulations. Next year, when it is hoped that extra officials and police will be allowed, the financial results might be much improved. The people, on the whole, are poor. The crops in most places were below the average this year, on account of the slight rain-fall; also the fall in the price of gum has not tended to add to their prosperity; but with all that, they are better off than last year, and, if there is a good rain-fall this season, will be fairly prosperous next year.

"As regards education, the people are indifferent.

"Syphilis is raging all over Kordofan; in fact, there are very few men and women in the country not suffering from this or some other venereal disease.

"The crime in the province, considering its size, has been remarkably small.

"The inhabitants, so far as I can judge, are loyal, and are satisfied with the present Government.

"Trade has been fairly good, but the habit of merchants at Khartoum advancing to Sheikhs and small traders in Kordofan money and goods under promise of receiving gum, &c., from them ought not to be encouraged, as these Sheikhs and small traders promise and sign agreements which it is impossible for them to carry out. There are many cases now where Khartoum merchants have got judgments against Sheikhs, and the latter have neither money nor property."

Major Dwyer, the Acting Moudir of Kassala, writes:—

"The condition of the people in this province depends almost entirely on the rain-fall and the Gash flood. The nomad lives entirely on his cattle, moving about from place to place according to the grazing. The remainder depend entirely on their cultivation, principally Dhurra. Last year, the rain-fall throughout the province was ample, while the Gash flood, though late, better than was anticipated, so that the people were able, for the first time since our occupation, to gather a fairly heavy crop, of which they are now getting the benefit, as a certain amount of export trade is starting, and is likely to continue and increase, as soon as tribes from remote districts are able to procure transport.

"The debts due to the Government are being paid off, and each season the area of cultivation increases and the small markets are better patronized. The small trader, with his donkey, is now to be met perambulating the country, which is evidence that the condition of the people is improving, though the improvement is, and will be, gradual. Jewellers, shoe-makers, dealers in piece-goods, and leather-dressers are now beginning to make a little headway, and in Kassala itself shops are being reopened, instead of closing, as in former years.

"Gedaref town is the most disappointing of all the province, but this is due to the shameful conduct of an official, who has since been removed. He was the direct cause of nearly all the artisans, petty traders, and small shop-keepers leaving the district. From the same cause, trade with Abyssinia was strangled, and Gallabat suffered in consequence; trade connection, once dislocated, is difficult to re-establish. However, in the coming year I hope prospects will brighten as far as these two places are concerned, as the crops for the ensuing season promise well, and the inhabitants have a good surplus from this year's harvest for export.

"A good deal of money changed hands at Gedaref between the months of Novem-

ber 1900 and June 1901, by means of the gum trade. This was the first year it had been tried on any extensive scale.

"The black population of Gedaref has increased by immigration, but I do not trust the returns, as these people are very shy and suspicious when questioned as to their numbers, owing to their dread of being handed over to the Arabs as servants.

"Round Kassala, the Arab population has increased, and numbers of Toukruris have settled down on the Gash; there is no means of getting at the average birth and death-rate, but last year, being a healthy year and food comparatively cheap and plentiful, more people are seen moving about, and children in fair numbers playing outside the villages.

"From my own observation, I should say that the nomad tribes were decidedly prosperous and flourishing. They are in possession of large numbers of sheep and goats, and a fair number of cattle, all of which are healthy. There is a good market established in Kassala, and a fair trade is carried on. Camels can now be obtained without difficulty, which formerly was not the case. This, I think, was due greatly to the suspicious nature of the Arab character, and the stories circulated that the Government used to seize these animals for compulsory work.

"Numbers of sheep and goats are bought by traders in the out-districts, and exported to other provinces, mostly for purposes of slaughter.

"More of the nomads are coming into the market every week, making small purchases, which indicates that they cannot be in any need of spare cash.

"I think the estimated receipts from royalties on gum (£ E. 3,000) is excessive, and I anticipate a reduction in receipts from this item compared with last year, as this year the merchants will not touch gum except under very favourable conditions. In my opinion, fixing the price of the kantar, on which royalty is to be paid, is hitting the producer very hard, and is likely to interfere with the collection of gum in the future. Gum-collecting entails a great deal of hard work, and much discomfort and hardship, owing to the long distances these people have to travel—often a day or two from water—and the losses they incur by the depredations of wild animals and birds. Anything which tends to discourage a young and growing industry is a pity. Of one thing we may be quite sure: that the middle-man will not be the loser.

"Reviewing the financial situation of the province, the future is encouraging. Larger areas are under cultivation; the people have a good stock of seed for sowing, and a surplus for export. They are beginning to sow cotton again, which will stimulate trade with Abyssinia. Trade is reviving throughout the entire province, the markets are better patronized and the small traders are increasing. This all augurs well for the future; though the returns at present may not be as large as could be wished, the province is benefiting and slowly improving.

"There are no roads worthy of the name in this province. There are only tracks winding along over the open spaces, and in and out among the thorn bushes.

"Railway extension, more particularly to tap Gedaref, would be the quickest, and, indeed, only means to develop and make use of the resources of this fertile province, as it only requires the people to cultivate to yield a handsome return.

"The small traders are increasing in numbers, but at Kassala and Gedaref I find that these people—mostly women—were charged half a piastre a-day for the privilege of sitting in the market, in the sun, with a few poor little articles exposed for sale. I abolished this tax, with the result that, where there used to be one, there are now a score. They pay us indirectly, and turn an honest penny for themselves.

"Butchers are increasing; the meat exposed for sale is very good and cheap—2½ to 3 piastres an oke (2¾ lbs.).

"The number of Sakias (water-wheels) in Kassala itself has increased since last year. I do not think that any more will be started for the present. There are people along the Atbara who would restart their old gardens, but, unfortunately, I have no one here who can make a Sakia nor the pots.

"The colony of discharged soldiers, established on the Gash at Kassala, has turned out a great success. The original colonists are now independent of Government support, and number about 140. Last year, and this year, they had good crops from the Gash flood. This year's crop has not yet been gathered, but promises well. Most of the colonists have a donkey, some sheep, goats, and fowls, and they seem quite happy and contented. When available, they are employed on the Public Works, and are very useful.

"Those at Gedaref are not so well-off nor so prosperous as those at Kassala, but they have a little village of their own, and are fairly well-off, and can support themselves.

"Slavery does not exist in this province. A large number of so-called servants have left their masters and settled down in Kassala and Gedaref. There may be a few cases of compulsory service amongst the nomads, but, as soon as they come within reach of Kassala, these blacks leave them.

"A school at Kassala and at Gedaref is urgently required. The natives want their children educated. I could manage to secure a building temporarily if an efficient master could be supplied."

Major Blewitt, the Moudir of Fashoda, writes:—

"No taxes were imposed on the native tribes during the year, and the only sources of revenue have been from game licences, the royalty on gum and ivory, and the purchase of ivory to be resold in Khartoum.

"As regards administration, little more has been attempted than to make the acquaintance of the various Sheikhs, and settle for them local disputes. It is of great importance to try and gain the confidence of the people, as they seem to have an extraordinary dread of the "Turk," and the former Egyptian rule seems to have been very little less dreaded than the Dervish occupation. For this reason, Mamours and police officers should be very carefully selected. At present, the Sheikhs all express great delight at once more finding themselves under the Egyptian Government, and readily come to the officials when sent for. For all that, to gain the real confidence of the people will take time, and they should be informed what the scheme of taxation is to be as soon as possible. Personally, I always inform them that taxes will have to be paid, but that they will not be heavy, and will not be altered for a stated time.

"There has been little tribal warfare, except an occasional raid for cattle. The Nuers still hold aloof, except those actually settled on the Sobat and Pibor Rivers."

I conclude with an extract from the Report of Sir Rudolf von Slatin, whose opinions derive special weight from his long and intimate knowledge of the country and its inhabitants:—

"The general situation in the Soudan," he writes, "is, on the whole, satisfactory. The population understand that the Government rule is just, and, if orders are given which may be against their customs, habits, or traditions, they submit themselves willingly, knowing that such steps are taken for the good of the country. Imports and exports are increasing, and it is hoped that the opening of the Bahr-el-Ghazal province will enable us to bring india-rubber and gutta-percha in large quantities to the market."

Conclusion.

The point of chief importance in connection with the government of the Soudan since its reoccupation has been to avoid any serious fiscal or administrative errors at starting, which it might possibly have been difficult to rectify later. I think it may be said that no such errors have been committed. The form of Government is suitable to the present very backward condition of the country. It is not a military Government, if I rightly understand the use of that very vague and indefinite expression. It is a Government which endeavours to carry out the ordinary principles of civil administration through the agency of a number of carefully-selected officials, most of whom are military officers. It is only necessary to read the Reports, which I have endeavoured to summarize in this despatch, to be convinced that, although possibly in connection with some few points the military characteristics of the principal officials may be traced, the spirit which inspires the whole Administration is, in its essence, not military, but civil. The main, and, indeed, I may almost say the only, objection to the employment of military officers in the civil Government of the Soudan is that to which I alluded in my last annual Report, namely, their liability to be removed at a moment when their services are of the greatest value. It will be desirable, in order to obviate this risk, that the military should gradually yield to the civil element in the Administration of the Soudan. But I should greatly deprecate any brusque change. Under all the circumstances of the case, the existing machine of Government, taken as a whole, is probably as good as any that could be devised.

With this administrative machinery, a good deal has been already effected.

In the first place, order reigns supreme. Save in some few very remote localities, life and property may be said to be everywhere secure. The ordinary principles of civil and criminal justice are applied throughout by far the greater part of the country.

In the second place, so far as I can gather, the people seem contented. Their contentment rests, I believe, on two main grounds. First, there has been no interference with their religion or religious customs; secondly, they are not overtaxed. It must be irksome to the many zealous and competent officials employed in the Soudan to see reforms, which to them must appear matters of urgent necessity, postponed for want of funds. But I notice with special pleasure that, throughout their Reports, the importance of moderation in fiscal matters is fully recognized. A somewhat long experience of the East has led me to attach more importance to low taxation than to reforms, however necessary these may, from the European point of view, appear. As the revenue grows, and as funds become available, these various reforms will be accomplished in the Soudan, as they have, for the most part, been already accomplished in Egypt, though I do not doubt that the process of reformation will be relatively slow. In the meanwhile, it is greatly to the credit of Sir Reginald Wingate, and those serving under him, that, with such limited resources, so much real progress should already have been made.

The main requirement of the Soudan, for the moment, is, as I have already mentioned, the improvement of its communications, and notably the establishment of connection by rail between the Nile Valley and the Red Sea. When the Engineer officers can report with confidence as to the best method of attaining this latter object, the funds necessary for the execution of the work shall be forthcoming, and the very important question of the labour, through the agency of which the railway shall be constructed, will be fully considered.

I have, &c.
(Signed) CROMER.

No. 3.

The Earl of Cromer to the Marquess of Lansdowne.—(*Received March* 17.)

My Lord, *Cairo, March* 6, 1902.

IN my Annual Report, which is dated the 22nd February, I stated that nothing had as yet been heard of the progress made by the sudd-cutting expedition under Major Mathews.

I have now the honour to inclose a copy of a Report addressed by Major Mathews to Sir Reginald Wingate, dated the 4th February. It will be observed that the work has proved more difficult than was anticipated, and that progress has, therefore, been slow.

As the subject is one of general interest, I would suggest that this despatch and its inclosure should be published simultaneously with my Reports on Egypt and on the Soudan.

I have, &c.
(Signed) CROMER.

Inclosure in No. 3.

Major Mathews to Sir R. Wingate.

Sudd Progress Report.

His Excellency the Governor-General, Soudan:

THE dispatch of this, my first Progress Report, may appear dilatory when it is remembered that the organization and equipment of the expedition of which I am in charge was completed in time to enable me to leave Khartoum on the 23rd October, 1901. The rate of progress of the work you directed me to undertake has, owing to a variety of adverse conditions, hitherto not furnished material for any special Report.

It will be within your recollection that, in May of last year, you communicated to me Sir William Garstin's telegraphic message that he believed the 15th block to be a light one, requiring 200 men at the most at work upon it for about three months.

Kaïmakam Blewitt Bey informed me in June last that the 15th block might take three or, at the most, five months to remove.

The description of the nature and surroundings of the 15th block which I gathered from Lieutenan Drury, R.N., and those who worked with him at the sudd south of the 15th block, viz., at the 16th, 17th, 18th, and 19th did not sustain the sanguine expectations of Sir William Garstin, as expressed on p. 39 of "Despatch by Sir W. Garstin, K.C.M.G.," "Egypt No. 2 (1901)," as follows:—

"In 1900 Lieutenant Drury attempted to force an entrance into this channel. In fourteen days he only cleared 400 metres, which have since closed again. The work of removal will be undertaken in October next, and it is hoped that it will be completed in three months from the date of commencement."

The success of the undertaking depended practically upon the dissipation of the special difficulty noticed by Sir William Garstin in the above-quoted despatch, viz., the removal of sudd in stagnant water.

It is unnecessary to describe the effect of the current in assisting the removal of the sudd. A block or portion towed away when working in a current is instantly cast adrift from its steel hawsers or anchors and floats away to speedily disintegrate in the eddies and whirlpools of the river. With dead water, on the other hand, the block must be towed into the current, the distance to which increases daily.

It is a process which cannot be hurried. I have previously reported that I commenced cutting the 15th block (so-called) on the 23rd November. After five days' work I realized that a current was setting into the block which at first runs due north from the open river, which I left behind me, flowing in a westerly direction.

The difficulties of towing out against the stream soon became insurmountable; I, therefore, set out to discover the destination of this current. After cutting a pathway over the sudd and crossing two deep khors, I found that the water was being discharged into a large lake not far from the right bank of the river. The bank of the river is low at this point. To push the steamer through to this khor was obviously the object to which all energy must be applied. On the 30th November the steamer reached, and was working at this khor, and I discovered a current, scarcely perceptible, flowing from the river from south into it. This seemed a most important junction.

I kept this khor open to assist in carrying away portions of sudd, and once more started to clear the block southwards. After four days I found that the weak current I was following was derived from a small khor opening into the "25-mile" lake which lies to the west of the 15th block. Its force ceased altogether when I had left this khor on my right on my way southwards.

The river was covered from bank to bank with heavy sudd, which has almost entirely taken root on the soft mud on the river bed. This soft mud is from 3 feet to 4 feet deep, and will disappear as soon as the action of the current attacks it. There have, however, been fortunate periods when floating sudd has been encountered. It was found to be 3 feet in thickness, chiefly papyrus root. At other times the floating om suf has been found to which a heavy mass of mud has been clinging. This, though difficult to remove, does not present the same obstacles as the papyrus, which grows from the bottom of the river.

On the 17th December, after strenuous efforts on the part of the men whose daily hours of work had necessarily been long, I passed through into a reach of open river, having cleared a block of 3,000 yards in length. I found the river open for a length of 600 yards from bank to bank. In vain I searched for any trace of current.

Improvising the "sprit" of a large nugger as a vantage point from which to search the surrounding sudd, some stretches of water were visible. I endeavoured to reach these to ascertain their connection, if any, with the river; my expeditions were resultless. The river invariably shows a depth of from 14 feet to 18 feet, sometimes 20 feet are found. This depth of water affords the only certainty that the right direction is being followed:—

By taking soundings, therefore, I hit upon my new direction.

The labour of towing sudd out into the current, which was now so far away, through standing water I now abandoned as hopeless.

I decided, therefore, to approach the 2nd block, determined to cut out a navigable channel for the steamer, and at all costs to push on the point where the current of the river had broken away from its original bed, and conduct it once more

into its proper course. (I trust you will excuse the omission of my description of the water levels in this part of the country. The question is germane to this Report, and I am conscious of the perplexities which my narrative must present without it.)

To effect this, it was necessary to tie up the portions of the sudd removed to the banks of the open water, until the appearance of a current justified their being cast adrift into it.

The second block was commenced on the 18th December, and a channel, as described above, was cut through it by the 31st December. The distance was 2,500 yards. At the southern end of it another piece of open water was found, 600 yards in length of a depth of 18 feet. The right bank of this open reach was well defined.

There was, however, no trace of any current.

A successful burn of the papyrus and om suf grass, however, revealed several hundred yards of the right bank of the river, and I traversed this for some distance, arriving at a third reach of open river from 600 to 700 yards long, and in some places 20 feet deep. It appeared to me at the time, namely, on the 3rd January, that a slight current was traceable. I, therefore, decided to cut through the 3rd block in the same manner as the 2nd. Here, owing to causes which I am at present unable to explain, I was confronted with increased difficulties. The accumulation of mud in the river bed amounted to a depth of over 4 feet, and to it the papyrus root was firmly attached. The length of this block is 1,500 yards. Nine days were spent in penetrating it through a channel 10 yards wide.

On the 9th January the expedition arrived at the third reach of open river. Further researches proved that no current existed at this point at all, and that my previous investigations were incorrect.

It became necessary to consider my position, the time and means at my disposal. It appeared past hope to advance without any information as to the whereabouts of the southern end of the open river. My occasional expeditions of a day's length through the sudd had yielded little or no result. In the midst of these despairing reflections, the "Hannek" arrived from Kanisa (140 miles distant) with a cargo of wood. I left her to begin the work of the opening of the 4th block, and immediately started on an expedition to the "25-mile" lake, west of the river, to endeavour to reconnoitre the line of direction which I must follow.

The length of this Report has so far exceeded my intentions, that I will relate the result of the reconnaissance as concisely as possible.

The mouth of the 15th block (so-called) is closed at the southern end by a heavy post block. The current of the river forces its way into a lake to the east, to rejoin the river bed after a passage across this lake of 800 yards. Two miles north another short block exists, but north of that again—so far as it was possible for me to determine—the river is open to the north until a point is reached, which I estimate to be 3½ miles from the place at which I am now working. To complete my reconnaissance, I reached this last indicated point from the lake, cutting my way through papyrus grass over 18 feet high, through and under which a torrential stream rushed into the lake. Here, then, lay the secret of the exhaustion of all current from the long stretches of river I had traversed from the north.

To dam this point at which the stream broke over the river bank was now of first importance. This effected, my progress to the open river might be assisted by the flow of the river into its old bed.

I made every effort to take the steamer up this dangerous channel, but was obliged to abandon this method of carrying my purpose into effect.

The distance was too great to transport working parties to the desired point, and there was no possibility of establishing them on dry land on reaching it.

The only alternative appeared to be to return to the head of my original channel and cut through to the point I have just described.

Another alternative presented itself. This was to open the real block at the south end of the so-called "15th block," with a view to strengthening the current. The success of such a course would have been doubtful, and its accomplishment might have endangered the navigation of the "25-mile" lake. This is a contingency which has always demanded the most careful consideration. Communication with the south entirely depends upon it.

When the river bed is ready to receive the current then, and not till then, must the heavy block at the south end be removed. Its disappearance will probably cause a great difference in the level of the lake, and revive interest in the general effect of the drainage of these numerous lakes into the river proper.

At the time of dispatching this Report, I am working upon the 4th block, a heavy block 2 miles in length. I am on the eve of entering another reach of water, but for the last 8 days the procedure of towing out and tying up the portions of sudd has been suspended.

A strong north wind has prevailed, which, as my direction is a little south of east, has struck the steamer on the beam, and driven it into the bank. The erection of derricks and other contrivances have been tried to facilitate this ponderous work. The rate of progress is necessarily slow.

It may be possible to reach the open river, *i.e.*, the current, by the end of February or beginning of March.

The demolition of the two blocks I have previously described as being at the south end of the 15th block, and the widening of the present channel through which I have cut my way up to date, will constitute the final operations of the present expedition.

It will be time enough to submit recommendations for future undertakings and statistics as to supply of wood, personnel, &c., when I may have been obliged to abandon the work before its completion, owing to financial, and possibly climatic, considerations.

The establishment of camps by the side of this stagnant water is unavoidable, and the difficulties of sanitation are well-nigh insuperable with my present staff. The health of the working parties, however, is, on the whole good.

My working parties are composed, as you are aware, mostly of convicts. They deserve, generally, a testimony of approval for the strenuous effort they are sustaining, and I trust individuals amongst the former class may receive consideration later, when I approach you—as you intimated you desired me to—on the subject of mitigation of their respective sentences.

I regret I am unable to forward any reliable sketches with this Report. Having been considerably handicapped here, work has absorbed all my hours of daylight, nor would you derive useful information from hieroglyphics, or drawings, which I attempted to execute at a time of day when one is subject to all the torments of the insect world. I will endeavour to submit a compass sketch of this block before, or on, my return.

(Signed) G. E. MATHEWS, *Kaïmakam,*
Commanding Sudd Expedition.

Sudd Camp, Bahr-el-Jebel, February 4, 1902.

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